

Corporate Asset Management Plan 2022 – 2026

ANNUAL PERFORMANCE AND
STRATEGY UPDATE REPORT

2024 - 2025



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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 – 2026, 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 2024 -2025, 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 2025 -2029 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 2025. It also sets out information on the Council's capital investment programme from 2025-2029, with particular reference to property related projects and programmes and the current maintenance programme across the portfolio.

2.1 The Portfolio

In April 2025, the Council's Land and Buildings portfolio comprised a total of 716 freehold and leasehold property assets, with a combined value of £519 million. As summarised in the following Table

Schedule of Assets as at 31st March 2024				
Asset Category	Number of Freehold and Leasehold Assets Held	Asset Value £m	Asset % (by number)	Asset % (by value)
Nursery School	1	£0	0	0
Primary School	223	£91	31	18
Secondary School	47	£0	7	0
Special School	15	£28	2	5
C&FS/Other	23	£13	3	3
A&C Other	14	£13	2	3
Offices (Including County Hall)	13	£50	2	10
Libraries Museums/Records	49	£18	7	3
Investing in Leicestershire Programme	157	£223	22	43
Depot	7	£9	1	2
Waste HWRS	15	£20	2	4
Park and Ride	1	£3	0	1
Travellers Sites	2	£3	0	1
Country Parks and Community Assets	25	£14	3	3
Outdoor Residential Centre (Beaumanor)	1	£15	0	3
Managed Assets and land in Advance	70	£9	10	2
Surplus Property & Assets Held for Sale	34	£10	5	2
Total	716	£519	100	100

Notes: Number of assets equates to the number of properties with individual unique property references (UPRN). All figures rounded to nearest whole number.

The overall asset value of £519 million for 2025 represents an increase of £12 million compared to the previous year (£507m). The increase is largely due to the value of the IILP Direct Property Portfolio increasing to £223m in 2024-25, as a result of a further uplift in the value of the rural estate. As the largest sector by value, the IILP direct property portfolio, represents 43% of the total asset value an increase of 2% on the previous year.

The other major change is the continued reduction in the value of education assets, as additional schools move to academy status resulting in their value reducing to a nominal £1.00 due to the granting of the 125-year academy lease.

The number of operational assets decreased overall, following a small number of disposals.

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 £439m over the four years to 2028 – 2029. A reduction of £8m from £447m of funding allocated in the MTFS 2024 – 2028, and £509m in the 2023 – 27 MTFS.

The programme is funded by a combination of Government grants, capital receipts, external contributions, revenue balances and earmarked reserves. The estimated £240m of external funding at its disposal enables the Council to fund the 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:

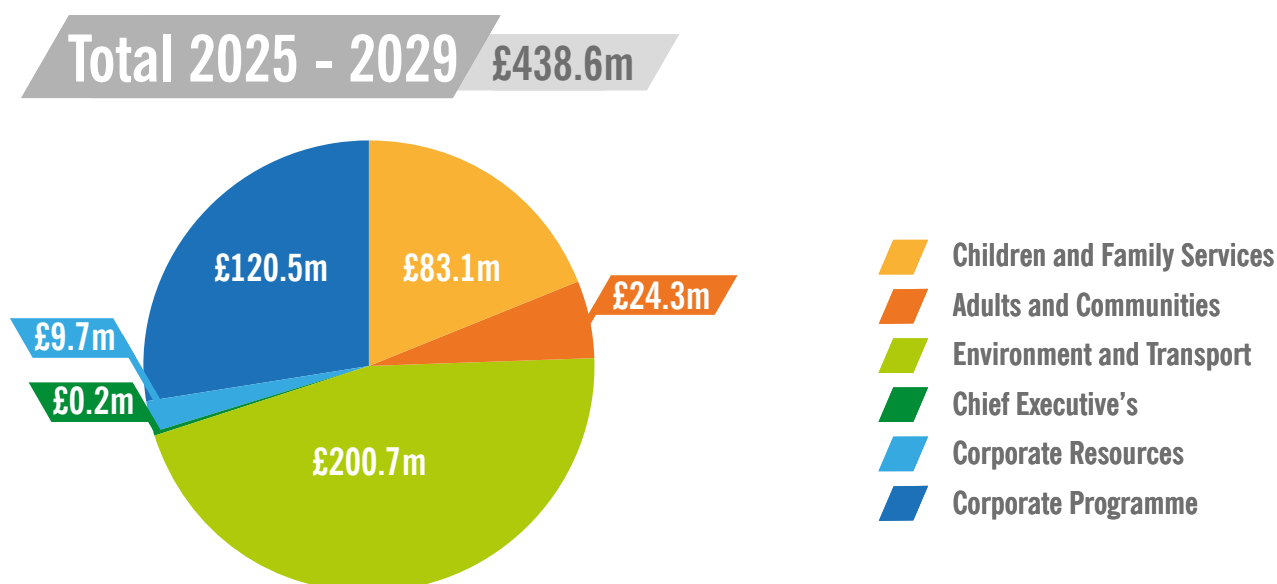
- To invest in priority areas of growth including roads, infrastructure, economic growth and to support delivery of essential services.
- No discretionary capital schemes will be added to the programme unless fully funded by external sources.
- Capital schemes will only be added to the programme once a business case has been completed.
- To invest in projects that generate a positive revenue return (spend to save), minimum return on investment for new schemes: 7% return (c.10 year payback)
- Passport government capital grants received for key priorities for highways and education to those departments.
- No new forward funding of section 106 contributions.
- Maximise external sources of income including capital receipts, 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.
- Thorough risk appraisal of new schemes, with adequate contingencies held.



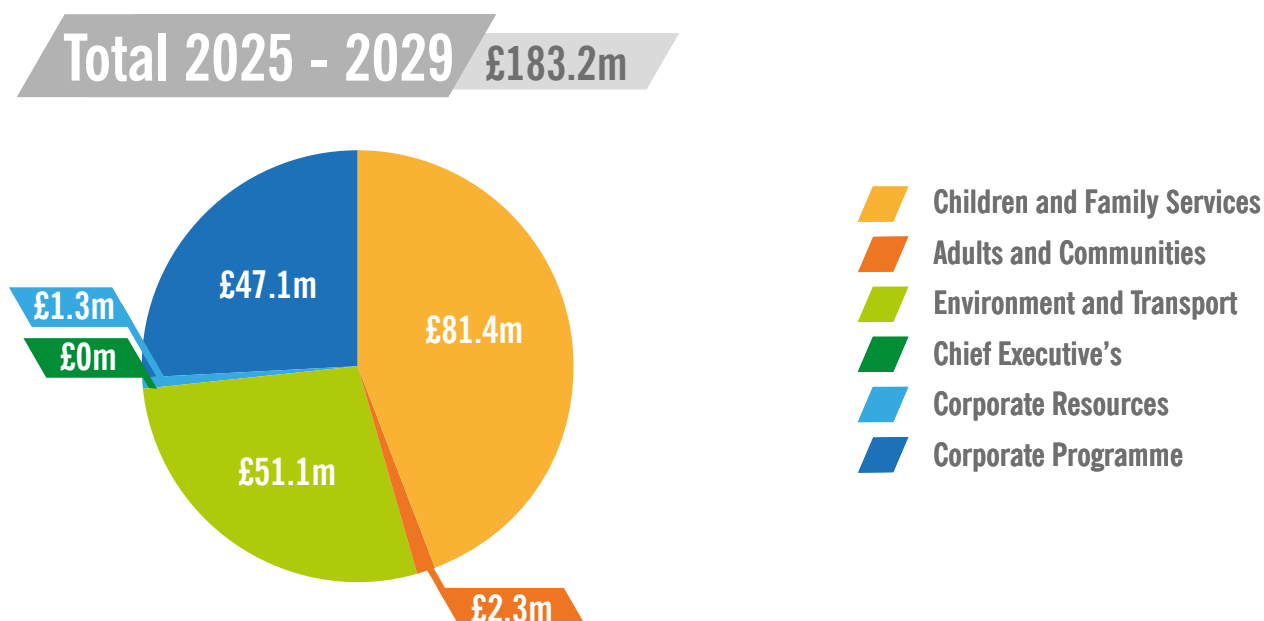
Over the four year period to 2029, the proposed spend on capital projects with a property element is £183 million which represents 42% of the overall capital programme of which projects to the value of £144 million will be delivered directly through Property Services. The projects range from the planning and construction of new schools, to providing property advice in respect of future infrastructure projects.

The figures below show illustrate the overall programme to 2029 and the proportion of projects supported by Property Services.

Overall Programme



Projects with property element



2.3 Maintenance

The Central Maintenance Fund, which supports the routine maintenance of the operational portfolio, stands at £3.01m for 2025-2026 (supplemented by capital funding of £693,000 for major refurbishment schemes) an 8% increase on 2024 –2025; the increase being necessary to off-set continuing high inflation within the construction industry and enable the continued improvement in the overall condition of the portfolio.

In addition, the maintenance and repair of the IILP portfolio (£850,000 in 2024/25) 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

This is set against estimated future liabilities in respect of essential maintenance, and repairs and improvements required to meet health and safety and regulatory compliance totalling £51.1 million including the liability in respect of properties within the IILP portfolio. The total future liability is split over three categories of priority dependent on the required timing of the repairs. Priority 1 repairs are those required to be undertaken within one year, priority 2 between 1 and 2 years and priority 3 between 3 and 5 years; the cost relating to 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, 3.5% of the total (£1.8m) is in the most urgent category (priority 1), an increase of £500,000 on the previous year, which require 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 targets, through the planned maintenance programme, 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 £3.01m 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.



3 PROJECT DELIVERY

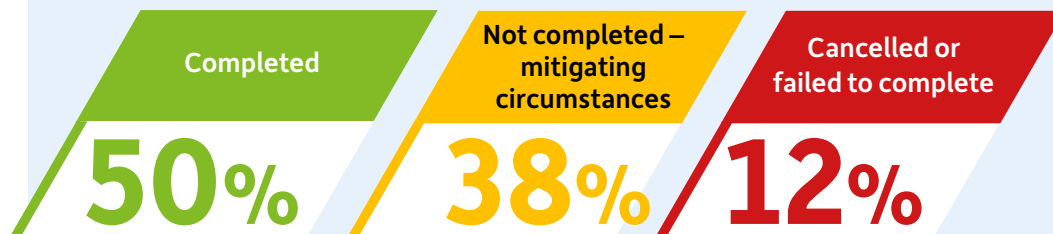
3.1 Overview

3.1.1 Capital Programme Delivery

The MTFS 2024 – 2028 approved by the Council in February 2024 allocated funding of £447m to support the Capital Programme for the 4 years to 2028, of which £147 million related to expenditure to be made in 2024 – 2025 with £121million (82%) having a property related input.

The revised Action Plan detailed within the CAMP Annual Performance and Strategy Update Report 2023-24 identified 38 Capital Programme projects with property related input that was required to support them over the MTFS period. Of the projects detailed, 24 were either due to be completed during 2024-2025, had a phase of works due for completion in 2024-2025 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 2024 -2025



In summary, a total of 12 projects (50%) were successfully completed in the year, including;

- 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

91% of the completed projects were completed within budget. Whilst the uncompleted schemes are currently within budget the unspent capital funding for these projects will be brought forward into the current and future years in accordance with a revised delivery programme.

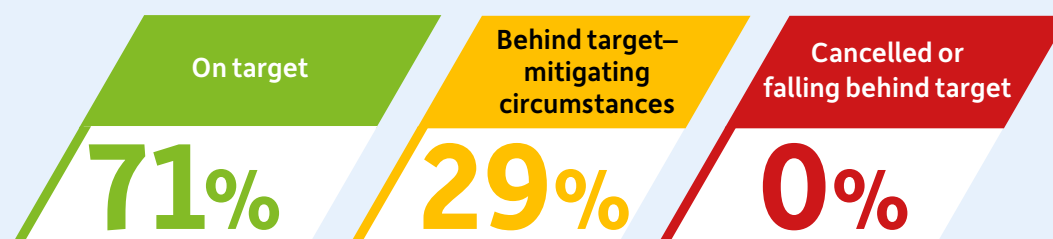
The Drive Through Restaurants at Leaders Farm, Lutterworth fell behind schedule as a result of delays in obtaining planning consent and the need to meet pre- commencement conditions in advance of work starting on site. These issues have now been resolved and the project has been reprogrammed, with construction due to start on site before the end of the year.

Given changing economic circumstances and service needs, 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 reformatted schemes being implemented in later years.

The proposed Quorn Solar Farm project was reviewed and in view of both the reduced viability of the scheme and the timescales for delivery rather than proceed with its development the opportunity was marketed with the sale being completed in 2025-26

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 Melton Depot replacement project where consideration is being given to sourcing a site capable of supporting the Melton RHWS as well as the Highways Depot.

A small number, particularly those within the IILP portfolio, that were identified as running behind programme in 2023-4, 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 initial delays arising as a result delays within the planning system and in the case of Lutterworth East the need to achieve a variation to the original planning permission to improve the viability and marketability of the development. The routine improvements to the Industrial and Farms portfolios, will continue in line with an updated programme to be delivered as part of the ongoing review of the strategic approach and management of those assets.



3.1.2 Reviews

The Action Plan for 2024-25 detailed a programme of 14 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.

2024-25 Review programme

Completed
on target

57%

Partially completed
behind target with
work on-going

43%

Cancelled, failed to
complete / substantially
behind target

0%

Of the total, 8 were completed or are progressing in-line with the original programme. The remaining 6 projects are behind their original target, however, all have been partially completed with work ongoing and will be completed within a timescale that does not impact current service delivery but will ensure improved outcomes. The delays to these projects have resulted from a combination of resourcing and procurement issues combined with the need for services to review future service delivery to take account of changes in central government policy, changing demand and economic circumstances; the completed reviews including:

- Review of the Coroners and Registrars Service Property Portfolio
- Review of the future need for additional school places
- Annual Review of the IILP Strategy
- Review of the assets held with Harborough and Hinckley and Bosworth areas

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, asset valuations and condition surveys with the required modifications being carried forward into this year's programme.

3.2 Key Actions 2024 – 2025

The Action Plan outlined the property related services to be delivered by Strategic and Operational Property Services in 2024-2025 and future years. From the overall programme, the CAMP identified seven 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.

- **Deliver all Services' Capital Programme projects on time and within budget.**

The school's capital programme for 2024 – 25 as detailed in the Action Plan was delivered in full, with primary schools at South East Coalville and Airfield Farm, Market Harborough and the expansion of Hugglescote Primary School all completed on schedule. The ongoing projects in the school places delivery programme remain on target to meet planned school opening dates in 2025-26 and future years.

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

A full programme of planned and reactive maintenance was completed at a cost of £2.95m, within the budget of £3.02m and set against the background of an ever-increasing demand, a substantial maintenance backlog and construction costs continuing to rise at above the general rate of inflation. In addition, a number of condition improvements were also completed to corporately held property assets.

- **Continue to deliver initiatives that support the Energy Strategy.**

Work to reduce energy consumption, costs and reduce carbon emissions has continued. Through stricter monitoring of control settings and site energy reviews focussed on those buildings with the highest historic levels of energy consumption, the potential exists to reduce overall energy consumption in future years. In addition, following the upgrades to the solar PV arrays at County Hall completed in 2023-24 the increased renewable electricity generation achieved in that year have been maintained further contributing towards the future attainment of the Council's renewable energy target.

- **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 2028 was developed at the start of the year and agreed with Corporate Property Steering Group. Those properties that were available to be marketed in 2024-25 had a target disposal value of £2.45m.

All the programmed sales were progressed within the year. However, all the major sales, whilst terms were agreed with prospective purchasers failed to complete with the result that only sales to the value of £145,000 were completed in the year; the balance with a total value of £2.3m being carried forward into 2025-26. In addition, the sale of the development site at Sysonby Farm, Melton Mowbray where contracts have been exchanged will be completed on the opening of the Melton Mowbray Distributor Road, during the current year releasing a further substantial receipt

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

The Council's managed property portfolio, including the direct property portfolio held by the IILP, delivered a net income of £5.4m in the 2024-25 year. Further, to ensure that an increased income stream accrues in future years a total of 45 rent reviews and lease renewals were progressed in 2024-25 with a further 73 falling due for review in the current year for which the relevant statutory notices were served, with further reviews programmed for future years.

The drive towards maximising income is further supported by the commercial portfolios low rate of voids, currently 5.6%, based which is substantially below the national benchmark of 10.4%.

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

A review of the current system was undertaken in 2023-24. It identified the main areas of improvement required to fully support the asset challenge were; to upgrade the system whilst recognising the need for data to be inputted in a timely manner to ensure that up to date records are maintained and accurate reports produced. In undertaking the ongoing work on the system, further improvements have been identified that will enable improved data management and increase its reporting capabilities.

- **Work with partners and provide support in the delivery of the ongoing Ways of Working Programme across the authority**

The implementation of the now complete Ways of Working Programme continued to identify further under-utilised premises and office space which, by rationalising the portfolio, continues to generate significant savings and additional rental income.



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, 67% of all performance indicators were achieved in 2024 – 25. 11% were not achieved but either showed an improvement on the previous year or failed as a result of mitigating circumstances, with the balance of 22% failing to be achieved.

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

The performance should be acknowledged as being delivered in the context of a significant number of vacancies within Property Services. The Strategic Property team carried a high number of vacancies during 2024/25 due to the buoyancy of the market for particular property roles. Operational Property are suffering less but are finding it difficult to recruit permanently to specialist, technical roles.

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

4.1 CIPFA Performance Indicators

4.1.1 Condition and Required Maintenance

Following the rise in the cost of the maintenance backlog in 2023-2024, driven by the effects of inflation in the construction industry running at a higher rate than the general economy construction industry costs in 2024-25 began to realign with CPI inflation with the result being that the level of backlog has reduced in real terms. However, in 2024-25 it has been necessary to devote additional resources to meeting revised standards of statutory compliance and whilst expenditure was within agreed budgets the overall cost of repairs and maintenance rose in real terms resulting in a number of the performance targets below failing to be achieved. The achievement of these indicators will remain challenging in future years with the rate of inflation within the construction industry forecast to continue rising faster than that of the general economy coupled with the ongoing need to meet statutory standards.

The proportion of properties in good or satisfactory condition increased to 53%. 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 as 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
	2023-24	2024-25	
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	5%	4%	Seek to increase the proportion of properties in categories A or B (Good or Satisfactory) year on year. Achieved: The proportion of properties with categories A & B rose by 1% to 53%
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	£2.16 (£2.22)	£2.92 £41.84	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. However, in real terms the level of both Priority 2 and 3 repairs fell.
1C Total cost of required maintenance	£53.2m (£54.6m)	£51.1m	The level of required maintenance should fall in real terms year on year Achieved: The total cost of required maintenance fell by 6.3% in real terms
1 D i Total annual maintenance spend (including expenditure incurred in respect of operational properties within the IILP portfolio)	£3.12m (£3.30m)	£3.80m	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 in line with construction cost inflation with additional resources required to meet increased compliance requirements.
1 D ii Total annual maintenance spend per m2	£5.42 (£5.56)	£6.19	Annual maintenance expenditure per m2 should fall in real terms year on year Neutral: In real terms expenditure per sqm rose, but this was a direct result of budget increases required to combat the effects of high inflation in the construction sector
1 D iii Ratio of spend on planned and responsive maintenance	47%	58%	Planned maintenance should be a minimum of 70% of the annual spend Failed: However at 58% the level of planned maintenance showed an 11% increase on the previous year

Note: All real terms calculations based on March 2025 CPI inflation figure of 2.6% Figures shown in brackets are cost plus inflation

4.1.2 Environmental

Following the massive rise in wholesale energy costs in 2023 prices stabilised and began to fall back by the end of the 2023-24. In line with the overall market expectations the Council's energy costs fell by 21% over the 2024-25 year with saving of £0.6m being achieved in actual terms.

Whilst, the consumption of gas fell by 24% and electricity usage remained stable the consumption of biomass, based on the calorific value of the fuel rose by 229%, leading to an overall rise of 2% in total energy consumption. The 2% rise being attributable to increased level of occupancy at all sites and the methodology employed to calculate biomass consumption compared to the heat output method used in relation to gas. The level of on-site renewable energy generation maintained the increased contribution to the Council's energy supply achieved in 2023-24 following upgrades to the solar arrays at County Hall in that year. However, based on provisional figures CO2 emissions fell 7% reflecting the ongoing transition away from gas.

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 Ways of Working programme will continue to influence performance year on year.

Water usage based on billing data fell by 11% in 2024-25 following the continued active monitoring of the water use at County Hall which has resulted in the early identification of leaks ensuring any issues are dealt with swiftly.

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
	2023-2024	2024-2025	
Total Annual energy spend (gas electricity oil etc) £ net of income generated from selling energy to the grid	£3.24m (£3.32m)	£2.63m	Reduce net annual expenditure on energy in real terms year on year Achieved: Expenditure fell by 21% in real terms
2A Annual energy costs and consumption	19.1m Kwh	19.5m Kwh	Energy used (Kwh) should reduce year. Failed; Consumption rose by 2%
2B Water costs and consumption	40,779m3	36,268m3	Water used should reduce year on year Achieved: Consumption fell by 11%
2 C Annual CO2 emissions	2,897 tonnes	2,688 tonnes	Reduce corporate property CO2 emissions year on year Achieved: Carbon emissions fell by 7%

Note: All real terms calculations based on March 2025 CPI inflation figure of 2.6%

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 2024 - 2025	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 major construction projects necessary to support service needs that were programmed for completion in 2024-25 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 2024-25 year, including those where the project programme overran from earlier years, 90.9% were completed within the original contract budget with only one minor refurbishment project being completed £4,000 (7%) over the original budget.

Property Performance Indicator and Description	Performance 2024-25	Target
4A Project Time Predictability	90.0%	A minimum of 90% of projects due to be completed in 2024-25 to be completed within original project programme period

Property Performance Indicator and Description	Performance 2024-25	Target
4B Project cost predictability	90.9%	A minimum of 90% of projects completed in 2024-25 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 and targeted for completion in 2024-25 had a value of £2.45m. During the year all were successfully marketed. However, the bulk of the sales failed to complete within the year and capital receipts of only £145,000 were achieved with the balance carried forward into 2025-26. In addition, a further £8.6m of receipts from the sale of the development site at Sysonby Farm, Melton Mowbray was carried forward to future years pending the opening of the Melton Mowbray Distributor Road which will trigger both the start of development and the phased release of the capital receipt.

Property Performance Indicator and Description	Performance 2024-25	Target
5A Capital Receipts	£145,000	To achieve the agreed Capital Receipts target for the year (£2.45m)

4.2.2 Asset Challenge

During the year the Asset Challenge of all Operational properties within Harborough District and Hinckley and Bosworth Borough areas was completed. Details of the outcomes are contained in the Report attached as Appendix A.

Property Performance Indicator and Description	Performance 2024 - 2025	Target
5B Asset Challenge	Harborough District and Hinckley and Bosworth Borough	To undertake the Asset Challenge in respect of a minimum of two Districts or Boroughs in each year. Achieved

4.3 Investing in Leicestershire Programme Performance Indicators

Full details of the performance of the IILP portfolio are provided in the Investing in Leicestershire Programme Annual Report 2024 – 2025. The performance of the portfolio's direct property assets measured against the portfolio's KPIs is detailed in the table below which indicates a further year of sound performance with 78% of targets being achieved. The current suite of IILP KPI's is currently under review, as part of a wider review of the portfolio and its management, ensuring that they remain fit for purpose and reflect benchmarks within the wider market.

Property Performance Indicator and Description	Performance 2024-2025	Target	
6A i Rate of Return	9.5%	Meet Investment Strategy target Rate of Return > 6 %	
6A ii Rate of Return	9.5%	Meet with average market return on capital over the whole portfolio > 7.7%	
6B Income return	2.9%	Meet with average market net income return target > 5.9%	
6C Capital growth	6.6%	Meet with average market yearly capital growth target > 1.8%	
6D Rental Income	£7.3m	Increase rental income from managed property year on year. 2023-24 £7.1m	
6E Voids	5.6%	Meet average market level of voids by area < 10.4%	
6F Debt	11.1%	Meet 90 day debt target < 10% of gross income	
6G Revenue Surplus	£7.8m	Increase revenue surplus over the whole portfolio (including diversified investments) year on year 2023-24 £7.6m	
6H Management costs	6.9%	Meet management cost target < 15%	

5 ACTION PLAN 2025 -29

In response to the changing economic conditions, available resources detailed in the MTFS and changing demands on services, the Action Plan 2025 – 29 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 2029. 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.



5.1 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	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029
CHILDREN AND FAMILY SERVICES													
School Place Programme	Overall Programme	↻											
	Hastings High School Expansion	↻											
SEND Programme	Expansion of Special Schools	↻											
	Birchwood School, Melton Mowbray Expansion	↻											
Capital Maintenance Prog.		↻											
Schools Devolved Formula Capital		↻											
Schools Access and Security		↻											
Childrens Residential Homes		↻											
Section 106 Schools Infrastructure		↻	↻				↻						
	Iveshead Secondary 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		↻				↻						
Minor Schemes	General Depot Improvements		↻				↻						
Environment and Waste	Recycling Household Waste Sites - General Improvements					↻							
	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	2025 - 2026	2026 - 2027	2027 - 2028	2028 - 2029
CORPORATE RESOURCES													
Ways of Working Programme	Workplace Strategy - Property Costs, Dilapidations and Refurbishments							↘					
Property Services	Anstey Frith House - Replacement windows and roof beams							↘					
	Aston Firs -Living Block refurbishment			↘									
	Croft Depot - Roller shutter door replacement						↘						
	Kegworth Library - Re-roofing				↘								
	Romulus Court - Refurbishment							↘					
Climate Change - Environmental Improvements	Energy Initiatives					↘							
CORPORATE													
Investing in Leicestershire Programme	Airfield Business Park - Phase 3 & 4		✓				↘						
	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		✓				↘						



5.2 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)	✓	✓	✓	✓	✓	✓	✓				
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	✓										
	Secondary Education Inclusion Partnerships (SEIPS)	Review the current provision and suitability of premises used to support SEIPS to determine the future property requirement of the service 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	Complete the 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	Complete the 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 manement data system (PAMS)	Review specification of existing K2 property PAMS sytem and future market opportunities for the procurement of a replacement system at the termination of the current contract in Sept 2026							✓				



5.3 Ongoing 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	undertake the revaluation of a proportion of the overall portfolio each financial year in order to meet statutory compliance
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 liLP 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.



5.4 Key Actions and Outcomes 2025 – 26

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 the 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.

- Meet the capital receipts target
- Maximise revenue income and potential cost savings
- Deliver all Services' Capital Programme projects on time and within budget.
- Complete the Central Maintenance Fund Works programme increasing the proportion of planned maintenance to target levels
- Further develop the property asset management system (PAMS)
- Work with partners and provide support in the completion of the Ways of Working Programme across the authority
- Complete and commence the implementation of the Rural Estate Strategy Review



APPENDIX A

ASSET CHALLENGE 2024/2025

Corporate Asset Management Plan 2022 - 2026

Annual Performance and Strategy Update Report

Asset Challenge 2024 – 2025

1. The Corporate Asset Management Plan (CAMP) 2022-2026 was approved by the Cabinet in September 2022. This 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 2024-2025 considers the assets held in Harborough District and Hinckley and Bosworth Borough including all the non-operational assets that were subject to challenge in 2022-2023.
3. The asset challenge has followed the process detailed in the CAMP, as detailed below.
 - Identifying 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 was 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 service requirements become subject to the disposals process and are likely to be sold. The leases of any surplus leasehold property will be surrendered to the landlord at the earliest opportunity.
6. The initial assessment of all properties subject to asset challenge in 2024 – 2025 were completed in March 2025. The outcomes and recommendations are detailed in the following sections.

Harborough District

7. On 1st April 2024 there were a total of 156 properties within Harborough District of which 147 were owned freehold; the remaining 9 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 Harborough District are detailed in the table below.

HARBOROUGH DISTRICT						
Category	Total	Retain	Retain / Improve	Further Review	Re-use	Dispose / Surrender
Primary Schools	41	36	4	1		
Secondary Schools	8	4	4			
Special Schools	0					
Other C&FS	3	3				
Libraries	5	4		1		
Museums	1					1
A&C	5	2		2		1
Depots	2	2				
RHWS	3	3				
Highway Assets	3	3				
Offices	2	1		1		
IILP Assets- Farms	57			49		8
IILP Assets - Commercial	3	2		1		
Country Parks	1			1		
Land in Advance	5	5				
Managed Assets	3	3				
Surplus	4					4
Held for Sale	1	1				
Not Held	9	9				
TOTAL	156	78	8	56		14

9. In respect of the categories and individual assets within Harborough District the outcomes have been influenced by or take account of the following:
 - a. 73% of all school properties are academies subject to 125-year leases.

b. In order to meet the increasing demand for places arising from housing growth across the district the following primary and secondary school have planned improvement or expansion plans in place.

- Lutterworth College, Lutterworth
- The Robert Smyth School, Market Harborough
- Thomas Estley Community College, Broughton Astley
- Welland Park Academy, Market Harborough
- Old Mill Primary School, Broughton Astley
- Church Langton C of E Primary School

Further, it is recognised that with additional housing growth Kibworth Mead Academy, Lutterworth High School and Orchard Primary School, Broughton Astley will also need to be expanded in future years.

c. It is noted that there are no special schools within Harborough District with a strong demand for places.

10. The 56 assets requiring further review are detailed below:

- Within the school's portfolio only Dunton Bassett Primary School is subject to further ongoing review, due to falling pupil numbers and a constrained leasehold site.
- The Courtyard Workshops, Market Harborough, part of the IILP industrial portfolio, are nearing the end of their economic life. In addition, they have historic asbestos related problems which create additional risk to the County Council. Consideration should therefore be given to the redevelopment or disposal of the site.
- Kibworth Library where the parish have recently indicated that it wishes to relocate the library to the village hub.
- Brookfields in Great Glen following a major flooding incident earlier in the year.
- The allotment gardens in Market Harborough used in connection with the Roman Way day centre where a surrender of the lease is under consideration.
- The balance of properties are considered in paragraph 17 below

11. There are 14 assets proposed for disposal, namely:-

- 8 properties within the rural estate relating to the future disposal of development land within Lutterworth East SDA of which 6 were purchased to achieve full land assembly for the development and one is a bare land holding.
- The Sherrier Centre in Lutterworth used as a museums store which will have no further economic use on the transfer of the artifacts to storage at County Hall.
- The Roman Way day centre, that is being sold for conversion into a special school
- 4 surplus properties including the former Billesdon Highways Depot, that is in the process of being sold to the Fire and Rescue service.



Hinckley and Bosworth Borough

12. On 1st April 2024 there were a total of 127 properties within Hinckley and Bosworth Borough of which 103 were owned freehold one is held on a long lease ; the remaining 23 properties categorised as assets 'Not Held'
13. The following table details the outcomes and recommendations in respect of assets within Hinckley and Bosworth Borough

HINCKLEY AND BOSWORTH BOROUGH						
Category	Total	Retain	Retain / Improve	Further Review	Re-use	Dispose / Surrender
Primary Schools	38	35	1	2		
Secondary Schools	10	3	7			
Special Schools	3	3				
Other C&FS	3	3				
Libraries	8	8				
Museums	1	1				
A&C	5	5				
Depots	1	1				
RHWS	1	1				
Highway Assets	4	2				2
Offices	2			2		
IILP Assets- Farms	7			7		
IILP Assets - Commercial	2	1		1		
Country Parks	8	7		1		
Land in Advance	7	6				1
Managed Assets	1	1				
Surplus	1					1
Held for Sale	2	1				1
Not Held	23	23				
TOTAL	127	101	8	13		5

14. Similarly, the above outcomes take account of the following:
- 65% of all school properties are academies subject to 125-year leases.

b. In order to meet the increasing demand for places arising from housing growth across the borough the following secondary school have planned improvement or expansion plans in place.

- Bosworth Academy, Desford
- Heath Lane Academy, Earl Shilton
- Hinckley Academy and John Cleveland Sixth Form Centre, Hinckley
- Hastings High School, Burbage
- Brookvale Groby Learning Centre, Groby
- Redmoor Academy Hinckley
- The Market Bosworth School

15. The 13 assets requiring further review are detailed below:

- Richmond Primary School, Hinckley and Witherly C of E Primary School require further review to ascertain whether they can deliver SEND and early years provision respectively.
- There is a need to monitor the future demand for school places at St Simon and St Jude C of E Primary School, Earl Shilton.
- The Oaks Industrial Estate, Earl Shilton, part of the IILP industrial portfolio, is held of a long lease on unfavourable terms. The potential to either acquire the freehold or surrender the lease (subject to existing sub-tenancies) should be considered on an on-going basis.
- A potential transfer of the lease of land at Sutton Cheney Wharf, currently in the Country Parks portfolio, to British Waterways is being pursued.
- The balance of properties are considered in paragraph 17 below

16. There are 5 assets within Hinckley and Bosworth earmarked for disposal. These comprise the former Holliers Walk Primary School in Hinckley, the Heathfield school site in Earl Shilton and 3 small areas of highways land no longer required in connection with the schemes for which they were originally purchased



Harborough and Hinckley and Bosworth Areas

17. The following comments apply to assets within both local authority areas:

- The recommendations in respect of Depots and RHWS sites mirror the conclusions of recent service and property reviews.
- All farm properties within the ILLP rural estate, with the exception of those identified for disposal as part of the East of Lutterworth SDA, are subject to a separate review as part of the development of a Rural Estate Strategy to be completed by the end of March 2026 thereby facilitating the restructuring of the estate to ensure it continues to support new entrants whilst delivering financial and wider benefits to the Council.
- The County Council currently occupies office space from both Harborough and Hinckley and Bosworth councils. The letting arrangements and need for office space at these localities will be considered within the context of the Council's overall requirement for office space to support LCC staff from 2025 onwards.
- There are 12 non-operational assets within the Land in Advance category across the two authority areas 8 of which are located within the public highway, 3 are to be retained to support future highway schemes with the remaining small area of agricultural land at Wellesborough available for disposal.
- 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 will have a business case developed with a view to realising that potential.
- It is noted that there is a total of 32 "Assets not Held" across the two local authority areas being largely premises that support the supported living programme or premises (or a single room) used on the basis of a licence or hiring arrangement close to the point of service delivery. In respect of the latter services are being requested to ensure that in continuing such arrangements no suitable County Council owned premises are available capable of meeting this need.
- The K2 Property Information System will be updated to reflect any recategorization of assets required as a result of this review identifying errors or omissions in the current data.

18. Whilst a total of 19 assets spread over the two challenge areas have been identified as remaining or being potentially surplus to requirements. Of these 8 relate to the future disposal of land within the East of Lutterworth SDA and will be brought to the market in accordance with the strategy agreed by the Cabinet on 21st June 2024.

19. In respect of the remaining 11 assets, 8 represent viable marketing opportunities 3 of which are in the advanced stages of marketing and will realise the total sum of £7.64m. Of the other 3 assets 2 are of no value and one would only be attractive to a single special purchaser. However, on completion of the proposed further review of assets additional properties may be brought forward for disposal.



Actions

20. Accordingly, it is proposed that:

- a. All assets declared surplus to requirements be disposed of at best value, subject to the sale representing a viable marketing opportunity;
- b. In circumstances where a sole special purchaser has been identified the asset is offered to that purchaser at an appropriate early date; and,
- c. In view of the significant number of 'Assets not Held', services utilising these premises will be requested to review the potential for delivering that aspect of service delivery from an alternative County Council held property.

Capital Receipts

21. The estimated value of the viable marketing opportunities, excluding those within the East of Lutterworth SDA, either being marketed or yet to be marketed amounts to the sum of £8.75 million.
22. 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.
23. The potential capital receipts, revenue and cost implications will be provided at the time that those properties identified available for disposal by the current asset challenge are declared surplus to requirements.

Revenue Savings and Costs Avoided

24. The revenue resource implications arising from the disposal of surplus freehold properties will result in future property operating cost savings together with the costs avoided from not having to meet the cost of future repairs and maintenance (or other commitments), as detailed below

Annual property operating costs	£242,000
Future Maintenance Costs Avoided	£1,390,000

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

Tenants are responsible for running costs in respect of let properties

Service Department Consultations

25. Service Departments are being consulted in accordance with the agreed asset challenge and disposal procedures.

Asset Challenge 2025-26

26. Asset challenge in 2025 – 26 will review properties in Melton Borough and Blaby District.

