Leicestershire County Council

SCRUTINY COMMISSION – 2 SEPTEMBER 2026

CORPORATE ASSET MANAGEMENT PLAN 2022 - 26 ANNUAL PERFORMANCE AND STRATEGY UPDATE REPORT 2025 – 2026

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 2025-2026, outline changes in strategy and provide details of the work programmed for 2026 - 2027.

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) 2026–2030 was approved by the County Council on 18 February 2026. This includes the allocation of resources to fund the Capital Programme up to 2029/30.

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.

Background

5. Leicestershire County Council's property portfolio is a significant corporate resource. It supports the delivery of essential services, enables investment in communities, contributes to the Council's financial resilience, and provides the physical platform from which services can respond to changing need. Ensuring that the portfolio remains fit for purpose, efficient, sustainable and affordable is therefore central to the Council's ability to deliver high-quality services now and in the future.

6. The Corporate Asset Management Plan 2022–2026 sets out the strategic framework for managing the Council's land and property assets. It established the principles by which the portfolio should be maintained, improved, challenged and, where appropriate, rationalised, so that property decisions are aligned with the Council's wider strategic outcomes.

7. This Annual Performance and Strategy Update Report reviews delivery during 2025–2026 and looks ahead to the priorities for 2026 - 2027 and beyond. It brings together performance data, progress against key indicators, delivery of capital projects, maintenance activity, asset challenge outcomes and the forward programme of work. In doing so, it provides assurance on progress made, identifies areas where improvement is required, and supports informed decision-making about the future shape, size and use of the Council’s estate.

8. The report also recognises that effective asset management is not simply about maintaining buildings. It is about ensuring the right assets are held for the right reasons; that they support service transformation, value for money and community outcomes; that they contribute to climate and energy objectives; and that surplus or under-performing assets are actively challenged.

9. The CAMP will evolve in response to LGR as future asset ownership, responsibilities and portfolio strategy become clearer, building on its established focus on estate efficiency and corporate alignment.

The Portfolio

10. In March 2026, the Council’s portfolio comprised a total of 710 freehold and leasehold property assets with a combined value of £521 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.

11. The portfolio is split into two main categories – Corporate Landlord (CLL) and the Investing in Leicestershire Programme (IiLP). The CLL Estate and IiLP portfolio are held for different purposes and are therefore managed, funded and assessed in different ways.

12. Corporate assets are primarily held to support the delivery of Council services, including schools, offices, depots, libraries, community facilities and other operational property. These assets are managed to ensure they are fit for purpose, safe, compliant, affordable and aligned with service need.

13. By contrast, the IiLP portfolio is held mainly as an investment portfolio, with assets managed primarily to generate revenue income, support capital growth and contribute to the Council’s wider financial resilience. In addition, some of the IiLP assets are held to encourage and promote local business development and employment opportunities, for example, the Four Oaks Industrial Estate assets and Loughborough Technology Centre.

14. The overall number of property assets reduced by 6 from 716 in 2025 as a result of the number of disposals and leases surrendered exceeding that of additional purchases, the development of new assets or adjustments where assets have been split between two service categories.

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Schedule of Assets: Comparison between March 2025 and March 2026							
Asset category	**2025 assets held**	**2026 assets held**	**Difference**	**2025 value £m**	**2026 value £m**	**Difference £m**	**2026 asset % by value**
Nursery School	1	1	0	£0	£0	£0	0
Primary School	223	223	0	£91	£84	-£7	16
Secondary School	47	47	0	£0	£0	£0	0
Special School	15	15	0	£28	£25	-£3	5
C&FS/Other	23	23	0	£13	£13	£0	3
A&C Other	14	13	-1	£13	£13	£0	3
Offices (Including County Hall)	13	13	0	£50	£58	£8	11
Libraries Museums/Records	49	50	1	£18	£20	£2	4
Depot / Depot and Transport Fleet Base	7	9	2	£9	£12	£3	2
Waste HWRS / RHWS	15	15	0	£20	£21	£1	4
E&T Highway Infrastructure	Not separately shown	19	n/a	n/a	£2	n/a	0
Park and Ride	1	1	0	£3	£3	£0	1
Travellers Sites	2	2	0	£3	£2	-£1	0
Country Parks and Community Assets	25	25	0	£14	£11	-£3	2
Outdoor Residential Centre (Beaumanor)	1	1	0	£15	£15	£0	3
Managed Assets and land in Advance	70	72	2	£9	£9	£0	2
Surplus Property & Assets Held for Sale	33	28	-5	£2	£6	£4	3
Investing in Leicestershire Programme	158	153	-5	£231	£227	-£4	42
Total	**716**	**710**	**-6**	**£519**	**£521**	**£2**	**100**

Note: All numbers are rounded to nearest whole number

15. The total value of the Council's property portfolio increased by £2m, from £519m in 2025 to £521m in 2026. This reflects an uplift in the value of the corporate estate, partly offset by a reduction in the IiLP portfolio as a result of external valuers excluding "hope value" from rural estate valuations in accordance with revised guidance. Despite this reduction, IiLP remains the largest single element of the portfolio, valued at £227m and accounting for 44% of total asset value; the valuation of the schools portfolio looking artificially low as academy schools are valued at a nominal £1.00 to reflect the 125 year lease. The 2026 valuation is provisional, subject to external audit review, and has been prepared by external consultants in accordance with nationally accepted valuation guidance.

16. The main movements in the portfolio were the continued reduction in overall asset numbers, the increase in the value of the corporate estate, the separate reporting of Highway Infrastructure assets, and the reduction in the IiLP valuation. Schools remain the largest category by number, with nursery, primary, secondary and special schools together accounting for 286 assets. Education asset numbers remained stable during the year, with value changes reflecting valuation methodology and academy-related lease arrangements rather than changes in operational provision. Surplus property and assets held for sale reduced from 33 to 28 assets, reflecting ongoing disposal activity and the continued reduction of non-operational assets. Offices, including County Hall, remained unchanged in number but increased in value by £8m, largely due to an increase in the value of County Hall.

17. The number and value of non-operational assets continued to reduce in 2025–26, from 104 assets valued at £21m to 100 assets valued at £15m. This reflects completed disposals, infrastructure delivery and revaluation. The current £15m valuation is split between Land in Advance (£3m), Managed Assets (£6m), Surplus Properties (£2m) and Land Held for Sale (£4m).

18. The MTFS 2026 – 2030 has allocated £501m of funding to support the delivery of the capital programme over the 4-year period. Of this total, projects to the value of £156m (31%) 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 2026 – 2027 the proportion of property related projects represents 49% of the overall programme with a value of £66m.

Maintenance

19. The Central Maintenance Fund (CMF) supports the routine maintenance of the operational corporate property portfolio. Expenditure was £3.3m in 2025-2026 and there was an additional capital expenditure of £1m on condition improvement works in year, including works at Beaumanor Hall, Anstey Frith House structural repairs, Kegworth Library roof replacement, main LCC Data Centre electrical infrastructure renewal. A summary is detailed in the table below:

Maintenance Expenditure 2025–26: Corporate Operational Property	
Expenditure category	**Amount / proportion**
Revenue expenditure	
Reactive maintenance	£1.7m
Planned maintenance	£1.6m
Total CMF expenditure	**£3.3m**
Capital maintenance expenditure	
Planned condition improvements	£1.0m
Total maintenance expenditure	**£4.3m**
Maintenance split	
Planned maintenance	60%
Reactive maintenance	40%

20. The programme continues to prioritise planned maintenance where possible, again increasing its proportion of total expenditure in 2025-26, while retaining sufficient flexibility to respond to urgent health and safety, statutory compliance and operational requirements. In 2025–26, planned and reactive works were supported by targeted capital condition improvements to help maintain the operational estate and reduce future risk.

21. The estimated future liabilities in respect of essential maintenance, repair and improvements required to meet Health and Safety and regulatory compliance has risen by £2.7m in 2025 – 26 to £53.8m for the whole of the Council's property portfolio reflecting continued inflation within the construction sector. £1.8m (3.3%) falls within the most urgent priority 1 category which requires issues to be addressed within 12 months.

Performance in 2025 - 26

22. The CAMP 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.

Delivery of Strategic Objectives

Delivery of Strategic Objectives 2025–26		
Objective	**2025–26 position**	**Key evidence / outcome**
Meet the capital receipts target	Exceeded target	Disposals of £6.904m were achieved against a £6m target, supporting the capital programme and wider service provision.
Maximise revenue income and cost savings	Progress made	The CLL and IiLP portfolios generated £9.5m gross income; 53 rent reviews and lease renewals were progressed; rating challenges

		have generated £1.4m savings over the contract period.
Deliver capital programme projects	Delivered / on track	The 2025–26 schools capital programme was delivered in full, with Hastings High School, Iveshead Secondary School and Birchwood Special School completed on schedule.
Complete the CMF works programme	Completed	The planned and reactive maintenance programme was completed at a cost of £3.30m, with additional condition improvements delivered across corporate assets.
Support the Energy Strategy	Ongoing delivery	Energy monitoring, targeted reviews of high-consuming sites, sustained solar PV generation and EV charging installations supported energy and climate objectives.
Develop PAMS	In progress	System upgrade work continued, with further enhancements planned for 2026–27 to improve data management and reporting capability.
Support Ways of Working	Programme concluded; benefits ongoing	Property Services continues to identify under-utilised premises and office space, with further rationalisation planned to support savings and rental income.

Capital Programme Projects

23. The MTFS 2026 – 2030 has allocated £501m of funding to support the delivery of the capital programme over the 4-year period. Of this total, projects to the value of £156m (31%) 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 2026 – 2027 the proportion of property related projects represents 49% of the overall programme with a value of £66m.

24. The Action Plan 2025 - 29 detailed 34 capital programme projects which have a property related input. 25 of these projects were either due for completion during 2025 - 2026 or had a phase of works due for completion in that year. Of the 25 projects identified, 15 (60%) were completed on schedule. The remaining projects were primarily affected by changed economic conditions, revised service requirements and planning delays. These schemes remain live within the programme, are being actively managed with services, and are expected to remain within approved budgets. The following were among the projects successfully completed in 2025-26:

Capital Programme Projects Successfully Completed in 2025–26	
Programme area	**Projects delivered**

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School expansions and school place delivery	Expansion of Hastings High School; expansion of Birchwood School, Melton Mowbray; extension of Iveshead Secondary School; ongoing delivery of the School Place Programme.
Schools capital, access and security programmes	Ongoing delivery of the Schools Devolved Formula Capital Programme and the Schools Access and Security Programme.
Children's services and community provision	Ongoing delivery of the Children's Residential Homes Programme and delivery of projects within the s106-funded library improvements programme.
Workplace and operational property improvements	Workplace strategy final moves within the Ways of Working Programme; Anstey Frith House replacement windows and roof beams; Croft Depot roller shutter door replacement; Kegworth Library re-roofing; Romulus Court refurbishment.
Investment and capital maintenance	Airfield Business Park – Phase 3 and 4; ongoing delivery of the Capital Maintenance Programme.

25. Of the ongoing projects due for completion in future years, 71% are currently on or ahead of schedule.

Reviews and strategy updates

26. 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 2025-2026. Of these 8 (57%) including the review of SEND provision in South Leicestershire resulting in the proposed new school at Husbands Bosworth, the review of the IILP rural estate to support the Rural Estate Strategy, the Asset Challenge Programme the Review of Operational and Strategic Property Services and the further development of the Programme Management Office together with the annual reviews of, school place requirements, the CAMP and IILP Strategy were completed in the year.

27. Work on the remaining 6 including the reviews of the Secondary Education Inclusion Partnerships (SEIPS), the Property Asset Management Systems, the further development of the Programme Management Office, the BNG Delivery Strategy, the Fleet Transition Feasibility Study, the further review of IILP portfolio assets and work in relation to the forward planning of infrastructure schemes remain ongoing and due for completion within a timescale that does not impact service outcomes.

Performance Indicators

28. The CAMP recognised that effective asset management requires performance to be monitored and outcomes to be measured. It therefore established a set of realistic but challenging key performance indicators intended to drive year-on-year improvement. These indicators fall within three main areas:

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- 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.
- IiLP performance indicators, which compare the portfolio's performance against market benchmarks.

29. Overall, of the 25 performance indicators assessed across the three categories in 2025–26, 52% were achieved, compared with 67% in 2024–25. One further indicator showed significant improvement and 11 indicators were not achieved. The reduction in overall performance was largely attributable to 6 of the IiLP portfolio KPIs not being achieved, reflecting constrained capital growth as detailed in the IiLP Annual Performance Report 2025–26.

30. By contrast, the CLL portfolio showed positive movement, with improved overall condition, a reduction in urgent maintenance and repairs in real terms, and further improvement in the proportion of planned maintenance, although, as a result of continued high construction cost inflation, the overall maintenance backlog and the annual cost of maintenance exceeded target levels with 3 indicators failing to be achieved.

31. Environmental performance was positive overall. Total energy usage reduced by 11%, contributing to lower energy expenditure and reduced carbon emissions. When combined with reductions in unit cost, this resulted in a 29% real-terms reduction in energy expenditure. Water usage was the only environmental indicator not to be achieved in 2025-26.

32. The local indicators were also positive, with the internal targets relating to capital receipts, delivery of capital projects within budget and completion of the asset challenge programme all met and whilst the internal target for office space utilisation was met the central government benchmark failed to be achieved.

33. Taken together, the performance indicators show a mixed but useful picture of asset performance in 2025–26. The Council continued to perform well in areas directly linked to operational delivery, including capital receipts, capital project cost predictability, asset challenge and several environmental measures. The condition of the corporate estate also improved, with a higher proportion of assets rated good or satisfactory and a reduction in urgent maintenance requirements in real terms. However, the results also highlight continuing pressure from construction inflation, statutory compliance requirements, water usage, and the performance of parts of the IiLP portfolio in a more constrained market. The indicators will therefore be used to inform future prioritisation of maintenance investment, asset challenge activity, portfolio strategy and the refresh of KPIs for the next CAMP period.

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Asset Challenge

34. The Asset Challenge 2025/26 has been undertaken in accordance with the Corporate Asset Management Plan 2022–2026, which requires a challenge of assets in at least two district or borough areas each year. The 2025/26 review considered assets in Blaby District and Melton Borough, including non-operational assets previously reviewed in 2022/23.

35. The review assessed each asset against its strategic purpose, suitability, value for money, opportunities and risks, and potential for improved use, re-use, development or disposal. The outcomes have been used to inform recommendations on whether assets should be retained, improved, subject to further review, re-used, disposed of or surrendered.

36. In Blaby District, 103 assets were reviewed. The majority are recommended for retention, with 62 assets to be retained and 2 retained with improvement. A further 30 assets require further review, largely associated with the Investing in Leicestershire Programme, rural estate and specific school sustainability considerations. Eight assets are identified for disposal or surrender. The lease of Romulus Court has been surrendered, 3 represent viable marketing opportunities, namely the long-term future sale of land at Stoney Stanton, the Wolfdale site and a building plot at Countesthorpe; the balance being of a nominal value less than the cost of marketing

37. In Melton Borough, 73 assets were reviewed. Of these, 45 are recommended for retention and 1 for retention with improvement. A further 21 assets require further review, principally linked to primary school sustainability issues and the future management of the rural estate. Six assets are recommended for disposal or surrender, including development land at Sysonby Farm, which is expected to generate a substantial capital receipt once completion takes place following the opening of the Melton Mowbray Distributor Road.

38. The current estimated value of viable marketing opportunities either being marketed or declared surplus but not yet marketed is £10.4 million, with the potential for a further uplift payment from one disposal if future development is achieved. Revenue implications are limited as sales mostly relate to bare land sites previously maintained by the Council's tenants, but current disposals are expected to generate annual property operating cost savings and avoided repair and maintenance costs of approximately £7,000.

39. The proposed actions are to dispose of surplus assets at 'best value' where this represents a viable marketing opportunity, pursue early sale to a special purchaser where appropriate, and ask services using assets occupied on licence to review whether their service delivery could be accommodated from existing County Council property. The next Asset Challenge in 2026/27 will consider the wider property portfolio in order to support the Local Government Reorganisation transition process.

Better Leicestershire Programme

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40. As part of the wider Better Leicestershire transformation programme, the Council undertook an assessment focused on “Optimising Our Estate”. This work considered how the Council’s land and property portfolio could better support future service delivery, financial sustainability, and the Council’s Target Operating Model.

41. The assessment reviewed both the operational estate, which supports day-to-day service delivery, and the commercial estate, including the Investing in Leicestershire Programme portfolio. It identified opportunities to improve income generation, reduce operating costs, make better use of buildings, and support future locality-based service planning. This included reviewing asset utilisation, moving towards a more planned and preventative approach to maintenance, progressing locality reviews, and ensuring that property decisions are aligned with service strategies and future organisational requirements.

42. The assessment was intended to provide an evidence base for further detailed design, prioritisation and delivery planning. It recognised that property change can be complex and often requires careful sequencing due to legal, operational, service, community and market considerations. It also highlighted the importance of a clear corporate mandate, effective governance and sufficient capacity within Strategic Property Services if benefits are to be delivered at pace.

43. The themes identified and potential to deliver both financial and non-financial benefits will be progressed as part of the CAMP Action plan 2026/27.

Action Plan 2026 - 2030

44. The Action Plan is reviewed and refreshed annually in response to changing economic conditions, available resources and demands on services.

45. The plan has been developed in collaboration with service departments; reflecting the work required to deliver the capital programme 2026/27 – 2029/30, the property reviews necessary to support future service improvement and the ongoing “business as usual” management of the portfolio together with the property related functions associated with Local Government Reorganisation.

46. The Action Plan, included as the Appendix to this report, sets out the property work required to support delivery of the capital programme, future service and portfolio strategies, Local Government Reorganisation preparations and the ongoing management of the Council’s property portfolio. The Action Plan is structured around three areas: capital programme project delivery; reviews and development of future property strategies; and the ongoing annual property management programme.

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Resource Implications

47. 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. The operation of the property portfolio will continue in this context, by looking to balance service requirements whilst contributing financially.

48. The four-year capital programme totals £501m. 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.

49. 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.

Equality Implications

50. 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

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

Environmental Implications

52. 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 – 18th February 2026 – Medium Term Financial Strategy 2026/27 – 2029/30
https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=7391&Ver=4

Scrutiny Commission – 8th September 2025 – CAMP 2022 – 26 Annual Performance and Strategy Update Report 2024 – 2025
https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=7445&Ver=4

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None.

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Appendix

The CAMP Action Plan 2026-30

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