




**Leicestershire County Council**  
**CAMP**  
**2013 - 2014**

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Last Updated: 28/08/2013





## Foreword

Our property assets are fundamental to the economic, social and environmental wellbeing of the people of Leicestershire especially during the current challenging economic times.

The way our assets are managed has a significant impact on the Council's ability to deliver a comprehensive range of quality services.

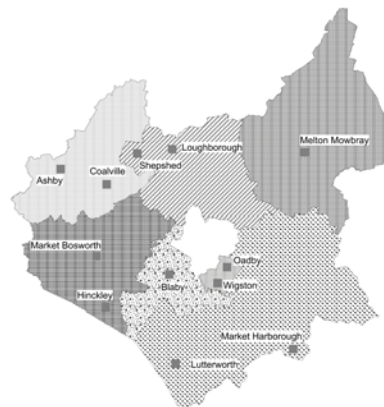
The approach adopted in recent years concentrates on understanding service needs, challenging the status quo and building strong relationships with partners resulting in the achievement of wide ranging benefits to the authority. Consequently we are now well placed to develop the contribution of the Council's property portfolio further in future years.

This role has now become crucial due to the need to respond to the challenges posed by the Government's spending review. It will be the focus for promoting transformation and a culture of innovation and co-operation.

No longer can councils work in isolation. Increasingly, in the delivery of both frontline and support services vital economies can be achieved by working with partners from the public, private and voluntary sector. We have already embarked on a programme of targeted partnership initiatives that will deliver improved value for money.

Our dedicated Asset Management Team will, through the Corporate Property Asset Management Plan (CAMP) continue to lead the process of transformation producing the most efficient, effective and sustainable outcomes for both tax payers and service users.

The plan looks in detail at how our property assets will be managed to ensure their contribution towards the achievement of Corporate Priorities is maximised and highlights the major new initiatives that will be pursued this year.





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## Executive Summary

The Corporate Asset Management Plan (CAMP) provides an overview of the ongoing development of the County Council's property assets and sets the strategic direction for the management of its portfolio for 2013 / 2014.

The 2013 CAMP details the targeted initiatives that will be driven forward to ensure that property assets make a full contribution to Corporate and Service Priorities whilst contributing to the objectives of the Leicestershire Together Outcome Framework, the Medium Term Financial Strategy and Capital Strategy and continuing to support the delivery of quality services on a day to day basis.

Important to the strategic asset vision is a co-ordinated approach to the programming of the capital receipts necessary to the delivery of policy initiatives. The CAMP has been developed with a view to achieving this balance which will then roll forward into the MTFs and service planning.

The County Council owns and controls 819 Operational and 99 Non-Operational property assets with a total value of over £676 million as at 1<sup>st</sup> April 2012. The Asset Base contains a diverse range of properties including County Hall, Offices, Schools, Libraries, Highways Depots, Museums and County Parks together with a portfolio of investment properties.

The total site area of the Council's property holdings has remained virtually constant in recent years however, due to academy conversions the floor area of directly managed premises has fallen by 42% to 672,555 sq.ft.

Whilst recognising improvements in the overall condition and suitability of the retained portfolio and its reduced future maintenance requirements (partly attributable to academy conversions) the urgent need to improve energy efficiency, reduce water consumption and achieve carbon reduction has been identified. To address these related issues an Energy Strategy is to be developed and funded through the 'Invest to Save' programme.

The restructuring of both the operational and investment portfolios has continued to deliver significant capital receipts from the disposal of surplus properties and development land and revenue savings by the delivery of initiatives such as the office strategy where ongoing annual savings of £700,000 are being achieved.

The completion and implementation of the Depot, Storage and Property Services Reviews have resulted in optimum delivery models being established and will enable further significant operational savings to be secured to assist in responding to the challenges of the Central Government's spending review. In addition, an early review of the investment portfolios will be concluded in 2013/2014 in order that continued capital and income growth are achieved together with an ongoing contribution to the Council's wider policy aspirations.

The ongoing rationalisation of the portfolio, the review of the delivery of property services and the service disruption caused through refurbishment projects, whilst enabling financial targets to be met, has resulted in fluctuating customer satisfaction figures, although the returns for both estate management services (91.2%) and the provision of capital projects (83.25%) have improved on 2012 levels.

The importance of improved performance has been the focus of the strategic vision of previous CAMPs, however, the challenges currently faced by the public sector require a more dynamic approach. Accordingly, the Strategic Vision for 2013/2014 focuses on providing a framework for the delivery of the Council's corporate aspirations in addition to pursuing further efficiencies and securing value for money.

Within this framework there are five main themes. The primary consideration is the delivery of Asset Strategies that compliment the four main Leicestershire Together priority outcomes by supporting the Leicestershire economy, recognising the challenges of an ageing population and enhancing community wellbeing. This linked to the maximisation of opportunities recognised through the concept of “total local public asset” and the provision of property services that are available to all public partners will provide a co-ordinated to service delivery.

Further, by developing policy through engagement with partners it is possible to more readily identify innovative procurement and commissioning models. In addition, it is recognised that in order to secure enduring partnership relationships Leicestershire needs to develop a reputation for delivering quality facilities and services that its people value and are proud to use and own.

This vision will be realised by the delivery of strategies informed by a renewed asset challenge and underpinned by the development of an Area Based Asset Strategy which will facilitate earlier and more constructive engagement with potential partners from all sectors. This process and day to day management functions will be underpinned by the planned replacement of the current PMIS property data base by investing in a new bespoke PAMS system which will go live through a phased roll out commencing April 2014.

The report continues by outlining the initial phase of work that it is proposed to achieve in the current year and providing a summary of the Resource Implications, including an overview of the MTFs and its impact on Council’s property assets.

Finally, the CAMP provides an overview of the performance of the Council’s principal property assets over recent years. Of particular note is the strong performance of the farms portfolio (financial returns of 39% being achieved in 2012/2013 to reinforce its excellent track record) underlining the value of proactive management and evidence based strategy development; an approach adopted in respect of all directly managed assets. This overview coupled with the statistical analysis of the underlying property information set out in the appendices will provide the evidence base necessary to focus strategic property objectives and CAMP proposals in future years.



## Introduction

The Corporate Asset Management Plan (CAMP) sets the strategic direction for the use, management and development of Leicestershire County Council's (the Council) corporate property resources over the next financial year. The principal role for the asset base is the same as for all other corporate resources: to support and enable the delivery of the Council's corporate and service objectives.

During 2013 Property Services completed phase 2 of its restructure in line with the Corporate Operating Model with the new structure going live with effect from 1<sup>st</sup> January 2013. Property Services delivery is now a joint approach through Strategic Property Services and Operational Property Services – the Structure charts showing the roles and split of responsibilities is shown in Section 4

Strategic Property Services acts as the Council's strategic property advisor. It sets the strategic direction for planning, procuring, developing, utilising and managing the property resources that are used by the Council. It also ensures that the money spent on property and a property service is a sound and effective investment of the Council's resources and that all legal and statutory requirements are being met.

Strategic Property Services is responsible for getting the best out of existing property and supporting services, whether these are provided in-house or procured from external providers. The Service is also responsible for planning to ensure that the Council has the facilities it needs, and can afford, to deliver its future services and plans.

Corporate business planning requires an integrated approach towards the planning of its resources. The links between financial and asset planning are particularly important and the CAMP is closely aligned with the Leicestershire Together Outcome Framework and the Medium Term Financial Strategy 2013/14 – 2016/17.

The ability of property services to operate in the new environment is heavily reliant on IT and in particular to the depth and quality of the data it holds on its properties. A new Property Asset Management System (PAMS) is being procured and will be phased in during 2014. However; the need to divert resources from various areas of both the Strategic and Operations teams to enable the transfer of data and to train staff on the new system will impact on other property priorities and must not be underestimated.

The specific aims of this CAMP are to:

1. Identify the Council's future property and asset management requirements
2. Provide an overview of the Council's existing assets
3. Establish the Council's asset management aims and objectives
4. Set out the Council's asset management implementation plan
5. Link asset management planning with the Council's corporate and service delivery needs and with the Council's related resource planning
6. Set out the strategic direction for the management and planning of the Council's property resources
7. Set out the agreed implementation plan against which performance can be measured



## 1. Corporate and Service Priorities

### 1.1 Leicestershire Together Outcome Framework 2012/13

The overarching corporate priorities are drawn from the Leicestershire Together Outcome Framework. The strategic outcomes for 2012/13 were agreed by the Leicestershire Together Board in March 2012.

Leicestershire Together Outcome Framework sets out:-

- A cross-cutting principle which underpins each of the outcomes;
- Four priorities which represent the aspects that Leicestershire Together (LT) see as the most important issues for Leicestershire as a place which requires LT to work together to tackle them effectively;
- 28 outcomes which demonstrate what each of the Commissioning Hubs and cross cutting partnerships will be doing to achieve the strategic priorities.

#### Leicestershire Together underpinning principle

- A shift to prevention and early intervention in order to maximise the impact of limited resources – “spend now to save later”.

#### Priority Outcomes

- A reduction in the number of “troubled families” (previously known as families with complex needs) in Leicestershire;
- Services designed to mitigate the impacts of an ageing population and enable older people to live independently for longer;
- The growth of the Leicestershire economy;
- A healthier population with increased life expectancy, and a reduction in health inequalities.

It is recognised that there is a need to re-assess the priority outcomes on an annual basis in order to ensure that it reflects the current pace of change. There is a strong indication that there will be a need to broaden the priorities in 2013/14 to take account of the increased local government spend on Waste and to acknowledge the government focus on empowering Communities.

### 1.2 Medium Term Financial Strategy 2013/14 – 2016/17

The Medium Term Financial Strategy (MTFS) 2013/14 – 2016/17 has been drawn up during an extremely challenging economic backdrop. Lower than anticipated growth in the economy and the severe economic recession has resulted in significant and on-going reductions in Government funding. It is not expected that national public sector net borrowing will be significantly reduced until after 2017/18.

Leicestershire County Council continues to face excessive revenue pressures through the combined effects of:-

- Ongoing reductions in government funding;
- The government’s reform programme – such as the council tax freeze; the Academies programme where up to 80% of Leicestershire’s pupils and Dedicated School Funding (DSG) will transfer from LA control to Academies or Free Schools;
- On-going increase of costs for Children’s Services residential care;
- Demographic pressures leading to escalating demand from the ageing populations, worklessness and ‘troubled families’

- An increase in costs of waste disposal;
- Redirection of funding for Youth Justice and Safer Communities to the Police Commissioner;
- Predicted increase in public sector pay

The MTF5 describes Leicestershire County Council's approach for dealing with these pressures over the next four years:

Savings - a total of £79m savings and increased income is incorporated in the MTF5 over the next 4 years, which is in addition to the £25m savings in the current year.

It is anticipated that £38m will be achieved from efficiency savings generated in the following areas:-

- Reduction of senior management and admin support
- Reduction in the cost of support services
- Greater emphasis on commissioning and lowering costs of procurement
- Major service re-design facilitated by change management projects
- Partnership working / shared or single services

It has not been identified how the savings required will be achieved.

### 1.3 Capital Strategy 2013/14 – 2016/17

The capital strategy is derived from the priorities identified within the Leicestershire Together Outcome Framework, the MTF5 and the departmental strategic plans.

As detailed in the MTF5, funding to support the capital strategy is through a combination of Central Government grant, external grants, capital receipts, unsupported borrowing and contributions from revenue and reserves.

Grant funding remains to be the largest source of funding for the overall capital programme (derived from the capital strategy) totalling £42.8m for the 2013/14 period. The grants are awarded by central government departments including the Department for Education, the Department of Health and the Department for Transport. While central government grants are allocated by specific central government departments, they are not ring-fenced.

Capital receipts continue to supplement Government funding for the delivery of the capital programme. Capital receipts are estimated at c£9m for 2013/14, (primarily due to one large sale), c£3.5m in 2014/15 and £1m in 2015/16.

The capital programme also includes prudential (unsupported) borrowing of £9.6m for 'Invest to Save' schemes. Funds of this nature will only be released on the basis of a viable business case verifying that the financing costs of borrowing can be met from the savings and do not impact on the revenue budget.

#### Capital Strategy Priorities

The main priorities for capital investment over the medium term are expected to be:

#### **Children and Young People**

Children and young people in Leicestershire stay safe, achieve economic well being, and enjoy and achieve through developing a higher quality learning environment and increased attainment, by:-

- Ensuring the sufficiency and suitability of existing accommodation
- The provision of additional accommodation where extra pupil places are needed
- Improving the quality of accommodation in order to increase pupil attainment and achievement
- Replacement of temporary buildings with permanent accommodation as a consequence of planning requirements; especially those within conservation areas
- Completion of the Loughborough Ashmount Replacement School.

### **Environment & Transport**

- Loughborough Town Centre transport scheme
- Transport assets such as roads and footways are well managed and maintained
- The impact of traffic on communities and individuals is reduced
- Reduce road congestion and improve air quality
- The number of road casualties are reduced
- Improved road network performance and reliability
- Bus and Cycle improvements
- Street lighting, bulk column replacements and invest to save programme
- Continuation of the Highways Depot Review strategy to rationalise and improve assets to deliver efficiency savings
- Ashby Canal Extension from Snarestone to Illot Wharf and construct an additional off line nature reserve
- Illuminated Signs – Invest to Save project to, remove lighting units to traffic signs that no longer require illumination; convert illuminated traffic signs to LED light sources

### **Waste Management**

- Less waste is produced and a reduced proportion of this goes to landfill by increasing recycling and composting
- Improve recycling and household waste sites (RHWS) to reduce our impact on the environment including modernisation of Whetstone RHWS and bulking/transfer station

### **Adults & Communities**

- More older people are able to live independently by the replacement of day care facilities for the elderly and through the development of Extra Care Housing in Leicestershire
- Provision of adult mental health residential services based on a supported living model
- The replacement of the Social Services' Information System to ensure that the authority can meet its future challenges relating to adult social care such as the personalisation agenda
- The repair and maintenance of the scheduled ancient monument at Snibston to ensure that the Authority fulfils its statutory duty

### **Corporate Resources**

- Investment in ICT - Ongoing replacement and development of the ICT infrastructure across the corporate estate
- Investment in the acquisition of agricultural land to allow the continual re-organisation of the County Farm estate and to improve financial performance
- Final phase to rebuild the amenities and improve drainage at Aston Firs travellers' site
- Implement invest to save schemes, subject to approved business cases, to reduce costs and create additional income. Projects include a waste and recycling project at County Hall to reduce disposal costs, conversion of a county farm into a business centre to increase rental income, and replacement of roofs at industrial property units which are at the end of their economic life and starting to impact upon rental income

**Corporate Programme**

- Purchase and refurbishment of the Fire Service headquarters located on the County Hall campus to reduce costs for external venue hire and increase external income
- Investment in energy efficiency programme to deliver reductions in energy consumption and carbon emissions
- Investment in a review of County Council wide storage
- Review options on leased premises and alternatives to leasing
- Investment in office accommodation in Loughborough to generate future revenue savings and replace its current time expired accommodation by 2017.

**Other including Economic Development**

The major programmes that are being developed over the medium term are:

- Development of Beaumanor Hall following the Outdoor and Residential Learning Service review
- Investment in broadband to rural communities
- Investment in schemes to aid local economic growth.

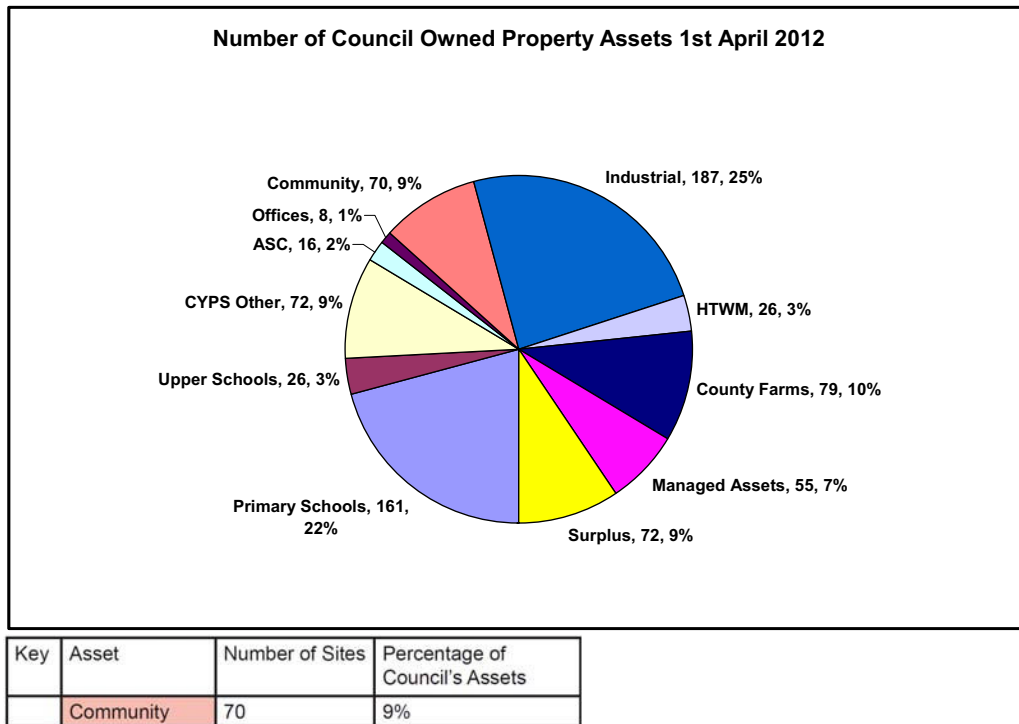
## 2. Existing Asset Base

This section provides a general overview of the County Council's asset base including its performance in areas such as physical condition, financial returns and suitability. Information is also provided about the amount of money expended on the Council's property resources. A summary of the County Council's assets is contained in Appendix 1

### 2.1 Size of Asset Base

The pie chart below shows the current split of freehold assets by service. The asset base has contracted slightly on previous years and this will continue in line with the disposal programme. In the past the dominant asset groups have been the CYPS Schools and Education estate. This will contract in its nature in the short term as the academy transfers programme continues through 2013/14 (see below)

**Fig 2.1.1**



Other services are also affected by financial constraints, changing legislation or ways of working resulting in a need to review and rationalise the portfolio i.e. the new operating model for Highways has resulted in a reduction in the need for smaller Highways Depots. The Adult Social Care personalisation agenda has resulted in changes in the ways that Community Opportunities service is provided resulting in the reduction of LCC Community Opportunities bases.

A major change has been the way in which assets are held from freehold to leasehold in the office estate. The strategy roll out over a 4 year programme has reduced the number of offices from 56 down to 15 by mid 2014 – of these 60% are held on a leasehold basis to give a more flexible approach and to align with the partnership agenda.

The Academy transfer process also emphasises the change from freehold to leasehold as in fact although the school becomes independent on transfer to Academy Status, the freehold of the land and buildings is retained by LCC with the school holding the assets on a 125 yr lease.

LCC has also had to take a number of subleases back from the newly formed academies to enable it to continue to provide services such as Sure Start, Children's Centres and Libraries.

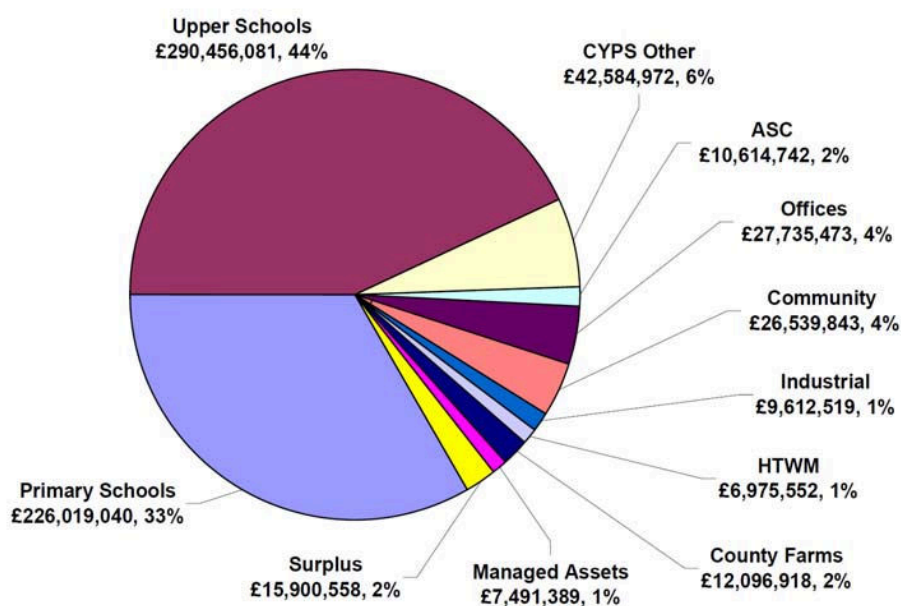
**Fig 2.1.2**

|   | CAMP 2009/10<br>(Based on<br>2009/10<br>accounts) | CAMP 2012/13<br>(Based on<br>2010/11<br>accounts) | CAMP 2013/14<br>(Based on<br>2011/12<br>accounts) | % Change<br>on 2009/10<br>figures |
|---|---|---|---|-----------------------------------|
| Total Floor Area (as recorded for those assets that are occupied and maintained by LCC) | 1,170,760m <sup>2</sup>                           | 1,079,570 m <sup>2</sup>                          | 672,555 m <sup>2</sup>                            | - 42.5%                           |
| Total Land Area (of all freehold property owned by LCC)                                 | 4,696 ha  | 4,665 ha  | 4,539 ha  | - 3.3%                            |
| Total Assets:   |   |   |   |                                   |
| • Freehold  | 828   | 774   | 745   | -10%                              |
| • Leaseholds and Licences   | 148   | 154   | 173   | +16.8%                            |
| <b>Total: Assets</b>  | <b>976</b>  | <b>928</b>  | <b>918</b>  | <b>-5.9%</b>                      |

## 2.2 Value of Asset Base

**Fig 2.2.1**

**Value of Council Property Assets 1st April 2012**



| Key | Asset         | Value        | Percentage of Council's Assets |
|-----|---------------|--------------|--------------------------------|
|     | Upper Schools | £290,456,081 | 44%                            |



## Value of Council Property Assets 1<sup>st</sup> April 2013

The total value of the LCC estate has been falling steadily over the last few years reflecting not only the Asset Management Strategy of ensuring that only those assets required for service delivery are retained but also that a pro-active approach to the disposal of surplus assets is undertaken.

The substantial underlying reduction in values for 2013 results from the academy transfer process. The provisional property asset values indicate that upper schools will reduce to c£120,000,000 and primary schools to c£165,000,000 representing a proportion of the asset base of 27% and 36% respectively against the revised total asset value of c£450,000,000

These figures together with those for all other property assets will be reported in the 2014 CAMP on completion of the annual valuation process and confirmed within County Council accounts in later years. Provisionally it appears that the total value as at 1<sup>st</sup> April 2013 will reduce to a figure of circa £450,000,000 compared to the figure of £676,027,107 reported in the current years accounts which represent the audited figure for the 2012 valuation as detailed in the table below.

**Fig 2.2.2**

| Valuation date           | 1 <sup>st</sup> April 2010 | 1 <sup>st</sup> April 2011 | 1 <sup>st</sup> April 2012 | 1 <sup>st</sup> April 2013 |
|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Total Asset Value</b> | £695,764,132               | £640,666,278               | £676,027,107               | c£450,000,000              |

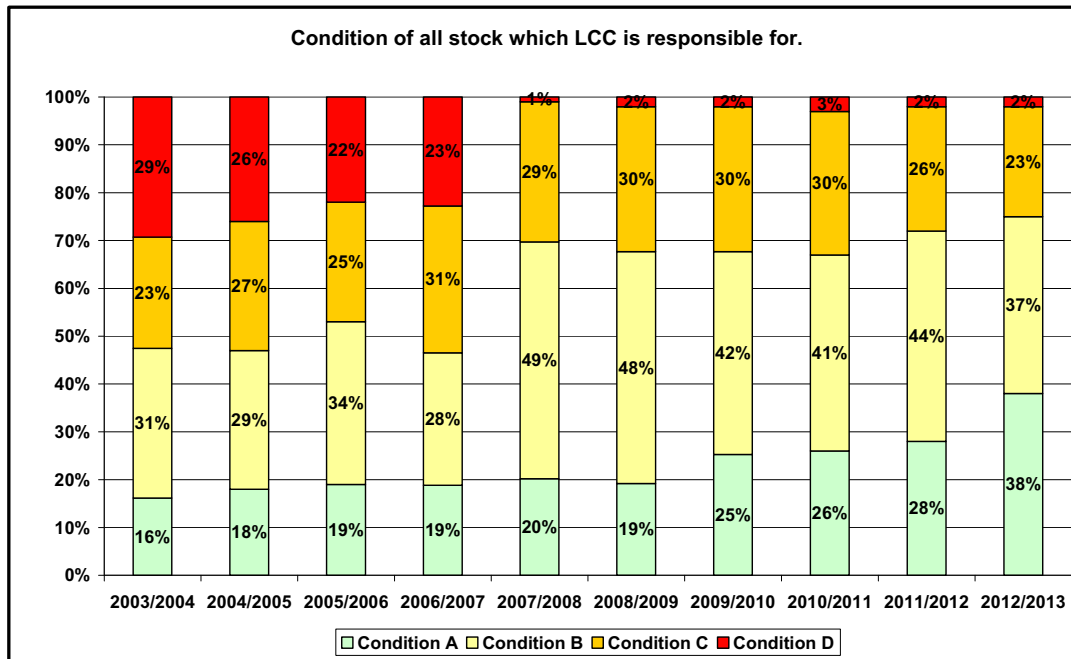
## 2.3 Condition

As part of the Councils performance monitoring system the performance of corporate property assets is evaluated against national benchmarking initiatives including CIPFA, local Performance Indicators (PI's) developed internally and the market.

The following summary information provides a performance profile of the existing asset base in the key areas of condition, maintenance backlog, building accessibility, suitability and reflecting the increasing importance of environmental issues. Work is currently underway to strengthen the emphasis in respect of energy water and CO2 emissions.

LCC uses CIPFA Performance Indicator PMI 1A Condition to monitor the condition performance of the Council's assets. The following diagram presents the trends for the condition of Council properties from 2003/04 to 2011/12.

**Fig 2.3.1 Condition of Council Property Assets diagram as at 1/4/2013**

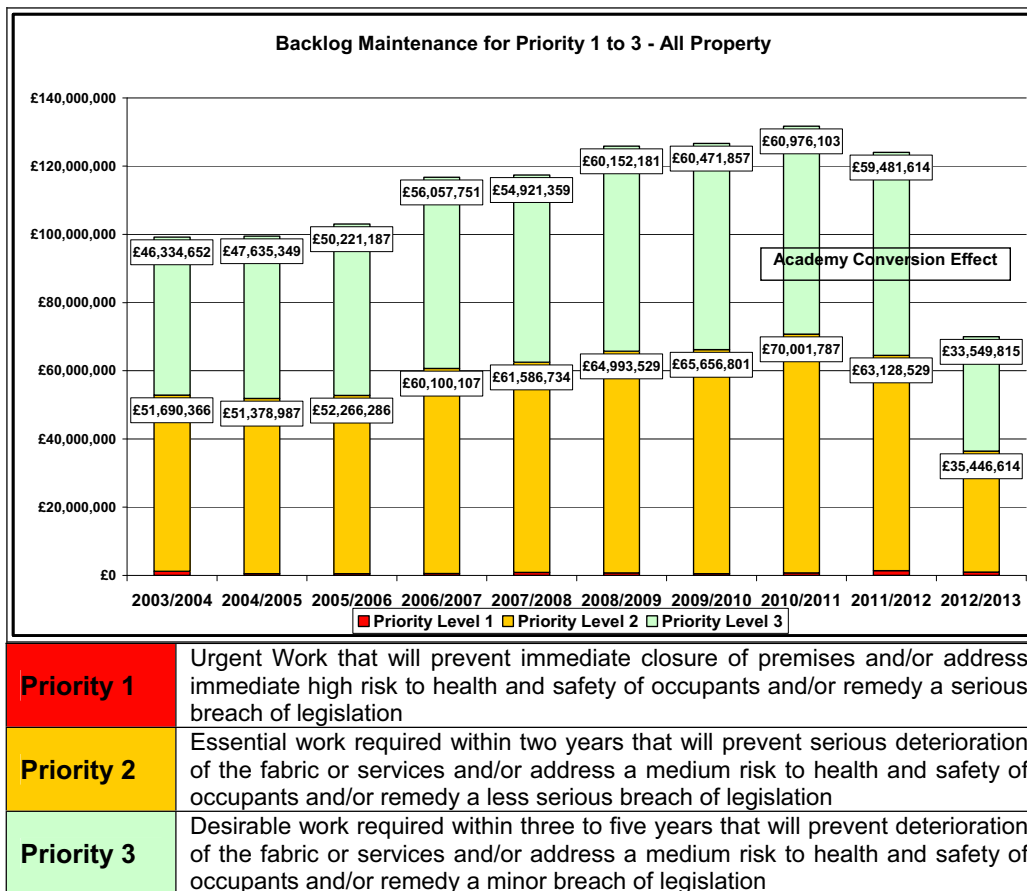


Between its baseline in 2003/4 and now, LCC has made substantial efforts to target available resources to those assets that fell into Cat D (those assets that were life expired or had a serious risk of imminent failure) which could cause disruption of services to the public e.g. a school closure due to a boiler failure. Since 2007/8 there has also been an increase in the proportion of assets in category A & B. This is due in part to a programme for the replacement of time expired modular buildings on school sites and a proactive asset strategy supporting services through reviews to enable the release and disposal of buildings in poor condition or no longer suitable for service delivery.

The short term impact of the academies programme will show an increase in those buildings which will fall into cat A and B as the main area of condition backlog is in the school estate and the repairing liability for these assets transfers to the schools themselves. However, in the medium term the reduction in the Central Maintenance Fund (CMF) budget from 2011/12 will necessitate a reduction in programmed maintenance work resulting in an increased physical deterioration of the retained estate over the ensuing years.

## 2.4 Maintenance Backlog

**Fig 2.4.1 Backlog Maintenance of County Council Assets as at 1/4/2013**



**Fig 2.4.2 total cost of backlog maintenance of Council Property Assets over the last 5 years (Priority 1-3)**

|              |                     |
|--------------|---------------------|
| 12/13 Actual | £69,997,073         |
| 01/04/13     | £104 m2             |
| 11/12 Actual | £124,021,775        |
| 01/04/12     | £121 m2             |
| 10/11 Actual | £127,574,376        |
| 01/04/11     | £109 m <sup>2</sup> |
| 09/10 Actual | £128,848,513        |
| 01/04/10     | £131 m <sup>2</sup> |
| 08/09 Actual | £125,866,640        |
| 01/04/09     | £122 m <sup>2</sup> |

As shown through the diagram above, the Council has succeeded in keeping Priority 1 backlog maintenance to a nominal level. However the overall backlog amount has continued to increase steadily to a maximum of £130,977,890m in 2010/11. Then for the reasons given on Condition above, the council has started to make inroads into this amount due to its reducing assets base and targeted disposal of those in poorest condition. The biggest single shift has been the academy programme which started following the Academies Act 2011 and the rolling programme resulting in the transfer of 100 schools to academy status by 1/4/2013 has had a very dramatic effect reducing the backlog to £68,996,429 (as at 1/4/2013). The majority of the remaining backlog sits with the retained LCC maintained school estate (i.e. Excludes Catholic,

Grant Maintained, Voluntary Aided and Academies). Although this will continue to reduce if further schools opt for Academy status.

Efforts to reduce the total backlog maintenance cost will inevitably be limited by the Council's reducing number of assets and revenue budget; there are also new maintenance additions. Examples include the county-wide network of Children Centres and the Scheduled Ancient Monuments at Snibston Discovery Park, Coalville. It is important to keep maintenance funding at a level that will maintain the quality and condition of retained buildings.

## 2.5 Planned and Reactive Maintenance

The Building Maintenance programme is held by Property Services as the Central Maintenance Fund (CMF), the funding is divided between Corporate Buildings and Schools.

Including all properties – During 2012/13 a total of £5.9m was spent on repairs and maintenance of which £4.5 m (69.3%) was day to day reactive repairs and £1.3m (30.7%) was planned preventive maintenance. This compares favourably with best practice recommended 70/30 split.

Reactive maintenance is generated by the client end user becoming aware of an issue and reporting it through the Property Help Desk which will generate a response and remedial action.

Planned maintenance is generated from condition surveys where priorities and a program of maintenance work is created from the data base.

Planned maintenance for schools has been identified in the same way. Over recent years the Department of Education (DfE) Capital Maintenance Fund has been available to greatly assist in the delivery of necessary work. Reactive maintenance has been delegated to schools that have the facility of maintenance buy back scheme from the council, known as the Schools Fund. This fund is used to deal with service contracts and reactive repairs as and when required. This area of work will change significantly over the next few years as schools transfer to academy status. DfE capital maintenance for academies will go into the Education Funding Agency (EFA) maintenance fund and not to the Local Education Authority. This will mean a reduction in funding as more schools transfer out of LA control.

The EFA are in the process of completing their School Property Data Survey, which will identify the condition of all UK schools. It is likely that the EFA will use this information for the future allocation of capital maintenance funding and therefore lead to a further reduction in the funding we receive due to schools in Leicestershire generally being in good condition. N.B. For Academies the responsibility for repairs and maintenance, together with all statutory compliance issues, falls to the Academy head teacher and governors although Property Services can continue to provide those services to Academies on a contract basis.

## 2.6 Building Accessibility

CIPFA previously operated indicators covering accessibility into public buildings, however, as most Local Authorities have completed such works the indicator has been deleted although, CIPFA advise that Local Authorities should give prominence to accessibility considerations when classifying and reporting upon property suitability. This Asset Management plan will revise the need for an Asset Challenge process as part of Section 5.1 and will refresh the suitability assessments of the retained asset base.

LCC continues to undertake accessibility audits on an ad-hoc inspection basis and also at the point of appraising proposed schemes. There are no routine inspection arrangements in place to continue benchmarking the accessibility of LCC's buildings.

The situation affecting schools is different. Local Authorities are required to prepare accessibility strategies under the Equality Act 2010. The need to make reasonable adjustments to the building for school pupils to access mainstream education is still a requirement and LCC currently have a programme of work in the 2013/14 capital programme of £200K for meeting Schools Access Initiative needs. The funding is used to cover pupil targeted physical adaptations and provision of hearing and visually impaired equipment in both maintained schools and Academies.

## 2.7 Suitability

### Corporate Assets

The Asset Challenge (October 09) revealed that 73% of the Council's asset base at that time is classified as 'green' i.e It was suitable for its current use and there were no significant causes for concern. The remaining 27% of the asset base was shown as 'red' i.e not fit for purpose and recommendations were agreed either for disposal or for actions to improve under-performance.

The Asset Challenge identified a number of reviews Examples include the Outdoor and Residential Learning Service (ORLS) review; the Highways Depot Review; reviews of various properties occupied for Adults and Communities purposes; and the Industrial and Farms Review.

### LCC Maintained Schools

Although not a requirement of the EFA any more LCC will complete Suitability surveys for all schools on a two year rolling programme. With the increasing numbers of academies it also provides LCC as landlord, in the majority of cases, the opportunity to look at changes to the property undertaken by the tenant.

The surveys collect and analyse data to evaluate how well a school/academy's learning environment meets the educational needs and its 'fitness for purpose' for delivering a modern curriculum. Information is collected about the physical quality of the accommodation, restrictions on curriculum delivery and health and safety issues. This helps schools with their school premises development planning and identifying future accommodation needs. It also gives the opportunity to ensure that plans of all buildings are up to date which is provided as a part of the schools buy back service.

### Schools Sufficiency

Sufficiency surveys are a current statutory requirement and are undertaken on an annual basis for maintained schools in consultation with the CYPS Admissions Team and schools, Academies now have to only inform the LA of their admission number Sufficiency surveys enable the calculation of the net capacity of a school and the number of pupil places available. The information is used for a number of purposes, in particular school place planning. This piece of work takes the majority of the Spring term to complete with the final Net Capacity figures being submitted by the end of April.

As more schools convert to academy status, the amount of work required will decrease. However, Property will continue to provide support and data in conjunction with the CYPS Pupil Place Planning to assist in estimating possible Net Capacity changes.

## 2.8 Energy, Water Consumption and CO2 Emissions

The Council's Environment Policy 2011 includes a target to reduce Carbon Dioxide emissions by 34% compared to the 2008/09 baseline by the end of 2020/21. The Council's Carbon Management Plan 2009-2020 sets out a framework for achieving the target and a suite of three year Carbon Management Delivery Plans identify the short-term projects which will deliver reductions for Transport, Street lighting, ICT and Buildings.

Fig 2.8.1

| LCC's Carbon Emission Targets against 2008/09 baseline | All Assets 2012/13      | LCC property 2012/13                        |
|--|-------------------------|---|
|  | Reduced by 14%          | Reduced by 12%                              |
|  | 69,817 tCO <sub>2</sub> | 11,364 tCO <sub>2</sub>                     |
|  |                         | tCO <sub>2</sub> = tonnes of Carbon Dioxide |

Through asset rationalisation the Council has delivered significant carbon savings which will deliver the first full year of reductions in 2013/14. The Council requires maximum efficiency from the remaining portfolio to manage revenue costs in the future and to deliver the additional carbon savings to meet the 2020/21 target.

A project has been initiated within Strategic Property Services to develop an energy strategy which will set out the targets for energy, carbon and water use reduction specifically in relation to the Council's estate for 2020 and how these targets will be met. The project's is due to be completed by the end of 2013 and its objectives are to:-

- Review existing arrangements for planning and managing energy and water consumption across the County Council's asset base and
- Produce recommendations in the form of the Council's future Property Related Energy and Water Planning and Management Strategy
- Produce a detailed Action Plan and Programme of Works which aligns with the Carbon Management Delivery Plan for years 1 to 3 of the strategy which will set out how the 2020 targets for buildings will be achieved

The Carbon Reduction Commitment (CRC) is a mandatory emissions trading scheme introduced to improve energy efficiency and reduce the amount of Carbon Dioxide (CO<sub>2</sub>) emitted. Against the base year of 2008 the cost to the County Council has reduced but not as fast as had been hoped due to a number of factors

Fig 2.8.2

| Year           | Tonnes of CO <sub>2</sub> | Tax £           |
|----------------|---------------------------|-----------------|
| 2008 Base Year | 57,000                    | £684,000        |
| 2011/12        | 48,272                    | £579,000        |
| <b>2012/13</b> | <b>53,528</b>             | <b>£642,000</b> |

The principle reason for the increase for 2012/13 had been the transfer of responsibility for data collection to Strategic Property Services Information Team and the considerable effort that has been put into cleansing of data and obtaining data from academy school.

In addition the lower figure in 2011/12 was due to the need to only report 90% of CO<sub>2</sub> output during that year (now increased to 100%) and finally, 2012/13 was a much colder year than the previous year.

The Council recognises the rising cost of energy, and as such has identified specific financial targets associated with the Property - Energy and Water Strategy, which are incorporated in

the Medium Term Financial Strategy. Equally, resiliency of the organisation to interruptions of supply is also a key future driver and will be addressed in the Energy Strategy.

### Climate Change Resilience

Allied to the above is the potential impact on property from climate change. Property Services work in conjunction with colleagues in the Environment Team to ensure that climate change resilience is considered in Asset Management Strategy development and that thermal efficiency and a building's resilience to climate change is considered when refurbishing or taking new buildings.

## 2.9 Capital Receipts, capital and revenue expenditure

### 2.9.1 Capital Receipts

The MTFS 2013/14 – 2016/17 takes into account the current downturn in both central government funding and the reduced capital receipts from the recessionary property market in assessing the overall capital resources that will be available to LCC. However capital receipts will continue to have an important role within the overall financial resources available.

For 2012/13 the total capital receipts totalled £5.7m. The projected capital receipts for the forthcoming five years are detailed below in Fig 2.9.1.

**Fig 2.9.1 – Capital Receipts (based on the net targets that need to be achieved from property disposals to fund the MTFS capital program)**

| Receipt      | 2013/14<br>£m | 2014/15<br>£m | 2015/16<br>£m | 2016/17       |
|--------------|---------------|---------------|---------------|---------------|
| General      | £9.000        | £2.000        | £1.000        | £1.000        |
| Earmarked    | £0.320        | £1.455        | £0            | £0            |
| <b>Total</b> | <b>£9.32</b>  | <b>£3.455</b> | <b>£1.000</b> | <b>£1.000</b> |

These targets are currently being reviewed through the joint Asset management and Finance initiative which will look to achieve increased Capital Receipt and Revenue Generation.

### 2.9.2 Capital and Revenue Expenditure

For 2013/14 LCC's original capital programme is budgeted to be £59.4m and total gross revenue expenditure (excluding schools) is budgeted at £562m - refer also to Section 5 Resource Implications.

From these totals, the total capital spend on property is budgeted to be £24.58m in 2013/14 (41.4% of total capital expenditure).

Total revenue spend on property for 2013/14 (excluding schools) is budgeted to be £13.2m (2.3% of total revenue expenditure).

## 2.10 Industrial and Farms Properties

The industrial and farms portfolios were reviewed and strategies were updated in 2010, action plans and performance measures developed and an implementation plan put in place with a view to undertaking a further major review in 2015. However, in view of rapidly changing financial and socio-economic conditions a further interim review has been initiated to review performance since 2010 and make recommendations to enable the two portfolios to meet current challenges. This is due to be completed before the end of 2013/14.

The performance of the two portfolios for 2012/2013 measured against the local indicators is set out in the performance management section below and Appendix 2

## 2.11 Performance Management

### 2.11.1 Customer satisfaction

Since 2010 LCC have undertaken customer satisfaction benchmarking through COPROP (The Association of Chief Corporate Property Officers in Local Government) to cover the following areas of Property Services against a National Comparator group

Estate Management (annual)

Building Maintenance Services (July and November annually)

Capital Works Post Project Review (annual)

The table below compares the overall average customer satisfaction rate for the three areas.

**Fig 2.11.1**

| <b>Customer satisfaction rate</b>                | <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> | <b>National Comparators</b>                          |
|--|----------------|----------------|----------------|--|
| <b>ESTATES MANAGEMENT</b>                        | 87.75%         | 86.22%         | 91.20%         | LCC is in upper quartile of national results         |
| <b>BUILDING MAINTENANCE</b>                      | 88.67%         | 83.60%         | 82.40%         | Currently average results against comparators        |
| <b>POST PROJECT REVIEW (Major Capital Works)</b> | 88.64%         | 80.25%         | 83.25%         | LCC is in the mid range against the national results |

The scores for Estates Management and the Post Project Review work have increased slightly over the period demonstrating that Property Services have shown good signs of improvement and the implementation of lessons learnt in the previous year have been successful.

The Building Maintenance score, although still at 82%, has dropped over the period therefore, we will need to monitor this downward trend but it is at least partially attributable to a combination of:-

- The variety of the projects and the complications and issues involved on different sites may have been more complicated on average than previous years.
- Property Services may have used different contractors to previous years depending on the type of work required.
- Property Services phased restructure has meant a period of changing staff, roles and responsibilities.



It is apparent from the results that LCC customers are generally very satisfied with the current level of service that they are receiving Property Services although there are areas that can still be improved upon particularly maintenance.

### 2.11.2 Benchmarking

The County Council participates in a national benchmarking scheme operated in conjunction with CIPFA and those relating to the condition and maintenance of the estate are already covered in earlier parts of Section 2. This service is currently undergoing a review and the relevance of some data sets reconsidered. The County will consider its involvement in this scheme when it has greater clarity of the proposals going forward.

### 2.11.3 Office portfolio

The Office Strategy was prepared and approved in October 2008. The project to implement the strategy commenced in the last quarter of 2009 and was officially closed in March 2013. Follow on projects in Market Harborough and Hinckley, identified in project closure and relating to the original business case, will be completed during 2013/14.

The project has delivered beyond the original project scope; at the outset of the project it was intended that the office estate would be reduced from 53 properties to 22. With additions to the project scope and increased financial constraints, a reduction from 55 properties to 19 by project closure and to 15 upon completion of the follow on work identified above will have been achieved.

The space utilisation target (GIA/FTE) in the strategy documentation was 10.81m<sup>2</sup> per FTE, which presently stands at 10.94m<sup>2</sup> per FTE, and will fall to 10.18m<sup>2</sup> per FTE in 2014, again exceeding strategic targets.

**Fig 2.11.3**

| <b>Total GIA</b> |                 |                 |                              |
|------------------|-----------------|-----------------|------------------------------|
| <b>01/04/08</b>  | <b>01/04/11</b> | <b>01/04/13</b> | <b>TARGET<br/>(01/04/14)</b> |
| 40,166           | 36,019          | 33,902          | 31,554                       |
| <b>Total FTE</b> |                 |                 |                              |
| 3,220            | 3,100*          | 3,100           | 3,100                        |
| <b>GIA/FTE</b>   |                 |                 |                              |
| 12.47            | 11.62           | 10.94           | 10.18                        |

\*NB. Since 2011, it has not been possible to validate change in FTE, in part due the continuing flux in organisational size, in part due to external rental of office buildings by partners, who do not supply FTE information. The result above is a conservative estimate.

Gross revenue running costs of the office estate have been reduced from £4,972,000 in 2009/10 to £3,262,000 in 2013/14.

The capital expended in delivering the change to the estate was £18.7m, compared to a forecast of £21.7m in the strategy.

Net financial savings of £700,000 per annum have been delivered in 2012/13, taking into account the cost of borrowing capital, and offsetting capital receipts. The remaining £100,000 savings contribution towards the MTFs has been transferred as a target for the Strategic Storage Review (relating to functional use of the Eastern Annex warehouse at County Hall).

Asset Management will continue to monitor office space utilisation and identify further opportunities for improvement.

### 2.11.4 Industrial Development and County Farms

The following summarises the Local and National Indicators used in for the Industrial and Farms portfolios and their performance against targets. The detail is shown in appendix 2

#### Industrial Properties Trading Account

Industrial Performance has exceeded the targets set for the following local performance indicators:

LP1 Investment rate of return (IRR)  
LP7 Unsecured 90 day debt < 5% gross portfolio income

Performance has failed to meet the remaining 7 targets, namely:

LP2 Market return on capital over the whole portfolio  
LP3 Market net income rate of return over whole portfolio  
LP4 Market yearly capital growth over whole portfolio  
LP5 increase rent per square foot over the whole portfolio year on year  
LP6 Keep voids < 5% income  
LP8 Increase revenue surplus per square foot year on year  
LP9 maintain management costs <15%

These results are disappointing and reflect the on-going challenging economic conditions that existed throughout 2012/13. LP4 and its impact on LP2 show the impact of high market yields and voids on the underlying asset value of the portfolio. Overall the results highlight the need to prioritise the re-structuring of the portfolio in order that it better meets market expectations and demand.

#### County Farms Estate

The County Farms Estate continued to perform exceptionally through 2012/2013 and has met or exceeded all of its key performance indicators, comprising:-

LP10 Investment rate of return > 6%  
LP11 Market return on capital over the whole portfolio  
LP12 Market net income rate of return over the whole portfolio  
LP13 Market yearly capital growth over whole portfolio  
LP14 Increase rent per acre over the whole portfolio year on year  
LP15 Keep voids < 5% income  
LP16 Unsecured 90 day debt < 5% gross portfolio income  
LP18 Increase revenue surplus per acre year on year  
LP17 Attain the County Farms average for lettings to new entrants  
LP19 Maintain management costs < 15%

The strong financial performance of the Estate is a direct result of the early implementation of an evidence based management system. This has provided a strategic direction to the on-going restructuring process and has enabled the Estate to make an increasing contribution to the Council's wider policy aspirations.

The 2010 Review reinforced the previous strategic direction of both portfolios re-emphasising the previously identified need to work with partners to meet the wider social and economic objectives of the County Council in addition to delivering ongoing financial benefits.

Whilst, the development of the Farms portfolio has maintained good progress the performance of the Industrial portfolio reflects the fact that although action plans have been put in place, no significant progress has been made in the areas of partnership working, the development of future strategies to further assist the local economy or, the initiation of a strategic investment

plan to enable premises to match the needs of new businesses and deliver the desired outcomes. However, opportunities to address these issues have now been identified and work progressed to secure their implementation.

In addition, the further interim review currently being undertaken will provide a further focus for the achievement of policy goals and a sound financial performance from both portfolios in the medium term.



## 3. Strategic Vision for Property

### 3.1 Restructure

During 2012 Property Services underwent a review which resulted in the implementation of a new smaller organisational structure that splits Operational and Strategic functions in line with the corporate Target Operating Model. – The structure and details of the split is given in Appendix 3

### 3.2 Vision Objectives and Outcomes

#### **Leicestershire County Council Strategic Vision for Property (2013/14)**

In previous years the Strategic Vision has focused upon the need to secure improvements in the performance of the County Council's own property resources. This continues to be important but there is a significant shift from a focus that has been narrowed upon the Council's own estate to one that now takes into account the wider perspective of maximising the opportunities that are available through the local public sector estate. This mirrors the same shift in focus that is occurring throughout all aspects of the County Council's corporate and service delivery areas.

Leicestershire County Council's Strategic Vision for Property is based upon the following aspirations:

**1. Delivering Asset Strategies that support the delivery of Leicestershire Together's four priority outcomes:**

- Supporting Leicestershire's families
- Supporting the Leicestershire Economy
- Ageing Well
- Contributing to the Health and Wellbeing of Leicestershire and reducing health inequality

These Asset Strategies will:

- Be developed in conjunction with other public services' providers
- Be locality based
- Consider all public sector assets in that locality

**2. Maximising the opportunities that are available through the 'total local public estate'**

Plans for County Council assets will take into account the potential that may be available through the collective public sector asset base in a geographic area to enable the delivery of:

- Leicestershire Together's four priority outcomes
- Locality based requirements – for example, to address specific local service needs; to support local economic development or regeneration requirements
- Improved and better integrated public services – for example, shared facilities for back office or customer facing services

**3. Providing county wide property services that are available for all public services' partners**

The aim is to maximise the benefits that may exist through pooling the needs and provision of property services across public sector partners as a means for securing efficiency and revenue

savings and for providing more joined-up property solutions through more joined-up property services.

**4. Making good use of innovative procurement and commissioning models**

Alternative models (such as JVC's, Trusts and public private sector models) are to be explored and developed to enable the successful delivery of new and continuing public services that would otherwise not be able to be supported through traditional funding, procurement or service delivery approaches.

**5. Providing public sector facilities that the Leicestershire public are proud to use and own**

The County Council has a strong role to play in providing public sector facilities that:

- Are known and recognised by the Leicestershire public
- Are of an appropriate quality
- Are assets, not liabilities
- Are well managed and maintained
- Are environmentally friendly
- Include some facilities that inspire and excite
- Provide facilities and services that are considered to be important by the Leicestershire public, but would otherwise not be available
- Enhance the locality as a place to live, work, learn and play in
- Send a positive message about Leicestershire and its people

## 4. Asset Strategy Implementation

Two fundamentals underpin the management and planning of LCC's corporate property resources:

- LCC must always be able to give a sound reason for LCC owning or using a property asset , and
- LCC's corporate resources are essential for the delivery of the council's corporate and service delivery plans

Therefore every asset owned or used by LCC has a specified purpose and will have an action plan which demonstrates how it is contributing towards service delivery in accordance with the performance requirements defined for that asset.

To do this we will be embarking on a new asset challenge process which will help us evolve a new Area Based Asset Strategy. The first outcomes will be reported in CAMP 2014/15 and will primarily focus on LCC's assets but during 2014/15 itself Asset Management will be seeking to consult and engage with other key partners to expand the strategies to embrace other local public sector assets.

The Area Based Asset Strategy will also reflect the corporate and service priorities as summarised in Section 2 and the Strategic Property Vision as outlined in Section 4

There are two component parts to this new approach:

### 4.1 New area based Asset Strategy

Asset Management will produce Area Based Asset Strategies for all areas of the county using the following approach.

**Step 1:** Identify existing LCC assets in the area (and to build up a database of potential partner property interests)

**Step 2:** Clarify the key strategic public services' drivers for this area i.e.

- Leics Together Outcomes ; LCC's Medium Term Financial Strategy
- Consultation – within LCC services and with relevant partners

**Step 3:** Overview of performance of existing assets from a methodical Asset Challenge. This will be based on a re-focus the Asset Challenge completed in 2008 with a question based approach (incorporating lessons learnt from the previous exercise) in order to appraise the performance of current assets held and allocate them into one of the following categories:

1. Surplus to requirements
2. Retain for existing purposes
3. Improve financial and/or energy performance
4. Promote partnership working
5. Develop opportunities for improved service delivery

E.g. supporting Leics Together Priorities and addressing specific local need

Asset Management will then prepare a brief Action Plan for each asset, addressing any identified weaknesses and maximising any potential opportunities. These will then be used to develop step 4

**Step 4:** Develop an Area Based Asset Strategy (in consultation with other key partners)

To comprise:

- Strategic Public Services Vision for the area
- Supporting Strategic Property Vision for the area
- Action Plan – identifying timetabled programme of actions in relation to area asset base

During 2013/14 this methodology will be put in place and the Asset Challenge review process commenced on an areas basis. This will take some time to develop and so the implementation plan in Fig 4.1.1 below sets out the current asset strategies being progressed on an area by area basis during 2013/14

**Fig 4.1.1 Area Based Asset Strategy Implementation 2013/14**

NB Key projects noted below only and day to day management and disposal work on agreed disposals etc

|  |   |
|--|---|
| <b>Harborough District</b>   |   |
| Harborough District Council – Refurbished offices at Adam & Eve Street | Work with partners to complete project for locality based office accommodation including new library, museum and registrars facility  |
| Explore development opportunities                                      | Promotion of additional potential sites for Housing and Commercial  |
| Extra Care   | Investigate potential for establishing Extra care with partners to support delivery in:- <ul style="list-style-type: none"> <li>• Market Harborough</li> <li>• Lutterworth and</li> <li>• Broughton Astley</li> </ul> |
| Gypsy and Travellers   | Pursue new site at Gilmorton under Head lease scheme with Framework Housing   |
| <b>Melton District</b>   |   |
| Former King Edward VII Site Burton Road, Melton                        | Development of master plan and disposal potential including :- <ul style="list-style-type: none"> <li>• Residential development</li> <li>• Community facilities</li> <li>• Extra care</li> </ul>                      |
| Sysonby Farm   | Promote housing development and potential relocation of council services  |
| Area Offices and The Mount Leicester Road, Melton                      | Dispose of site for commercial development  |
| Library Wilton Road  | <ul style="list-style-type: none"> <li>• Ongoing discussions with Brooksby Melton College re redevelopment options</li> <li>• Continue investigations into feasibility of potential library relocation</li> </ul>     |
| <b>Charnwood Borough</b>   |   |
| Pool Farm site Quorn   | Promote development for rural offices or workshops  |
| Explore development opportunities                                      | Promotion of additional potential sites for Housing and Commercial  |
| Technology Centre  | Promote joint working with the university to progress a scheme for further accommodation to support technological innovation  |



|   |   |
|---|---|
| Locality based Office Accommodation                                 | Work with partners to provide office space in Loughborough town centre for locality based LCC staff as a replacement for Pennine House  |
| Beaumanor Hall Woodhouse Eaves Extra Care                           | Develop and deliver long term strategy<br>Develop opportunities for Extra Care in the District principally Loughborough, Shepshed and the principal urban area ( Birstall or Barkby)  |
| <b>North West Leicester District</b>                                |   |
| Ibstock and Ravenstone  | Promotion of additional potential sites for Housing and Commercial  |
| Undertake joint review of county and District industrial portfolios | Develop strategy for rationalisation and realignment of accommodation to:- <ul style="list-style-type: none"> <li>• Meet current market trends.</li> <li>• Promote regeneration of town centre</li> <li>• Address training and worklessness.</li> </ul> |
| HS2 – impact on units at Westminster Industrial Estate              | Progress redevelopment opportunities in the locality to replace units that will be demolished (Part of wider industrial; strategy above )   |
| Hill Street, Donisthorpe  | Promote exception site with District and framework provider for affordable housing  |
| Extra care  | Develop opportunities for Extra Care in the District principally Coalville and Ashby  |
| <b>Hinckley and Bosworth Borough</b>                                |   |
| The Hub, Hawley Road Hinckley                                       | Completion of joint working with District on co-location of locality based office teams into new HBBC building  |
| Extra care  | Develop opportunities for Extra Care in the District principally Hinckley, Barwell and Market Bosworth  |
| <b>Blaby District</b>   |   |
| Highways Depot, Arbor Road, Croft                                   | Support consolidation onto single site including refurbishment of accommodation.  |
| Explore development opportunities in Fosse Villages                 | Work with Fosse Villages to investigate opportunities for achieving residential development, developing community benefits in Croft, Stoney Stanton and Sapcote   |
| Hall Farm, Blaby  | Progress development opportunities for residential  |
| Crematorium site for South Leicestershire                           | Promote LCC site as potential location for facility   |
| Extra care  | Working with partners to promote extra care at Winchester Road Blaby  |
| Explore development opportunities                                   | Promotion of additional potential sites for Housing and Commercial  |

|                                       |  |
|---------------------------------------|--|
| Glenfield Park, Kirby Road, Glenfield | Investigate potential joint workspace scheme with partner  |
| County Hall Glenfield                 | Develop a County Hall Masterplan and to deliver an interim storage solution to deal with short term Records Office storage |
| <b>Oadby/Wigston Borough</b>          |  |
| Improved Registrars facility          | Progress with partner the provision of new registration facility and wedding venue   |
| <b>Leicester City Council</b>         |  |
| Franklyn Road Leicester               | Joint promotion and disposal of site for residential development   |

## 4.2 Additional Asset Reviews and Strategies

### Extra Care

As part of the realignment of older persons care facilities the County Council is seeking to deliver up to 500 units of Extra care accommodation within 10 locations within a 5 year period. This will require a mix of both LCC identified sites and working with third parties to achieve this target.

The identified areas for provision are shown in Fig 4.1.1 above

### Storage Review Strategy

Deliver recommendations and agreed strategy

### Energy Strategy

Development of strategy to be completed Oct 2013 – delivery to commence through 2013 onwards and aiming to secure the substantial energy savings and to be on course to meet its required target of 30% carbon reduction savings by 2015 (pump priming monies for this initiatives has already been allocated in the MTFs)

### Economic and Regeneration Development Schemes

Joint working with Economic Development and Environment and Transport to support 'enabling development initiative'

### County Hall Campus

Develop a Masterplan for the whole County Council campus including the annexe buildings and the former Fire and Rescue HQ building which will be acquired by LCC later this year.

### County Record Office

Commence a project in conjunction with Partners to identify a long term sustainable solution to meet the Record Office's future service delivery and storage requirements

### Commissioning Review

Undertake reviews into current property commissioning and procurement practices and commence delivery of recommendations through 13/14 to 14/15.

### PAMS

Progress the procurement programme to secure the implementation of the new PAMS system and go live date of 1st April 2014.

## 5. Resource Implications

This section highlights the resource implications associated with the delivery of the Asset Management Implementation Plan.

### 5.1 Finance – Capital

Sections 2.2 and 2.3 summarise the Medium Term Financial Strategy (MTFS) and the Capital Strategy for 2013/14 – 2016/17. Section 3.8 sets out the capital receipts, capital and revenue expenditure proposals for the council's property resources in keeping with the MTFS 2013/14 – 2016/17.

This CAMP has been developed and produced in conjunction with the financial plans, programmes and budgets for the Council. This ensures that the planning for financial and property resources are directly linked and connected.

### 5.2 Capital Programme

A Service Based summary of the property elements of the Capital Programme is set out below and in greater detail in Appendix 4

**Fig 5.2.1 Capital Programme Schemes – 2013 - 2017 (Property related projects)**

| <b>Capital Budget</b>   | <b>2013/14<br/>£000</b> | <b>2014/15<br/>£000</b> | <b>2015/16<br/>£000</b> | <b>2016/17<br/>£000</b> | <b>Total<br/>£000</b> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| <b>CYPS</b>   | 18,990                  | 989                     | 0                       | 0                       | 19,979                |
| <b>ENVIRONMENT &amp;<br/>TRANSPORT<br/>-<br/>TRANSPORTATION</b> | 250                     | 0                       | 0                       | 0                       | 250                   |
| <b>ADULTS &amp;<br/>COMMUNITIES</b>                             | 1,645                   | 1,140                   | 60                      | 60                      | 2,905                 |
| <b>CORPORATE<br/>RESOURCES</b>                                  | 2,134                   | 2,500                   | 1,900                   | 650                     | 7,184                 |
| <b>CORPORATE<br/>PROGRAMME</b>                                  | 1,520                   | 4,995                   | 4,000                   | 50                      | 10,565                |
| <b>Grand Total</b>  | <b>24,539</b>           | <b>9,624</b>            | <b>5,960</b>            | <b>760</b>              | <b>40,883</b>         |

### 5.3 Finance – Revenue

The following table relates to the total revenue fund managed by Property Services for the repair and maintenance of the Children & Young People's Service (CYPS) (including schools) and the corporate estate for 2010/2011, 2011/2012 and for 2012/2013. Looking forward these figures will change significantly as schools convert to academies and become responsible for their own property maintenance and budgets.

Maintenance programmes are put together using information obtained from the five yearly condition surveys which are undertaken for all properties used by the Authority. All programmes are compiled by Asset Management and approved against the wider corporate asset management context prior to the final programme being approved.

**Fig 5.3.1 Central Maintenance and Schools Fund Budgets 2010/11, 2011/12 and 2012/13.**

| REVENUE BUDGET                                    | 2010/2011 (£)      | 2011/2012 (£)      | 2012/13 (£)        | 2013/14 (£)        |
|---|--------------------|--------------------|--------------------|--------------------|
| Schools Fund                                      | 5,598,738          | 5,620,915          | 6,241,335          | 6,375,864          |
| □ Buy Back  | <u>(3,165,753)</u> | <u>(3,144,890)</u> | <u>(2,866,372)</u> | <u>(1,905,521)</u> |
| □ Non Buy Back – funds retained by schools.       | (2,432,985)        | (2,476,025)        | (3,374,963)        | (4,470,343)        |
| Central Fund LEA Retained                         | <u>1,194,345</u>   | <u>1,192,557</u>   | <u>543,000</u>     | Nil                |
| Corporate Tenant Budget                           | <u>1,229,000</u>   | <u>1,229,000</u>   | Nil                | Nil                |
| Central Fund Corporate                            | <u>2,043,650</u>   | <u>2,368,963</u>   | <u>3,017,520</u>   | <u>2,809,336</u>   |
| Total Revenue Budget managed by Property Services | <u>7,632,748</u>   | <u>7,935,410</u>   | <u>6,426,892</u>   | <u>4,714,857</u>   |

Definitions: -

- **Schools Fund** – Funding available to undertake smaller planned jobs and day to day repairs. This funding has been delegated to schools, but a Buy Back facility is in place where schools can put the funds into a scheme administered by Property Services. The funds are used to deal with these issues across the portfolio of schools in the scheme.
- **Central Fund LEA retained** – Funding available to undertake major repairs to all schools (excluding Voluntary Aided) has been significantly reduced and will no longer be available in 2013/14 onwards due to the school conversion programme to academy status. The authority will no longer be responsible for maintenance issues on academy schools.
- **Corporate Tenant Budget** – As part of the change to a Corporate Landlord model maintenance budgets previously held by departments were transferred to Property Services, and is used for internal decorations, floor coverings, etc.
- **Central Fund Corporate** – This budget is used for undertaking all types of maintenance and repair for all other buildings (excluding Schools). This budget also includes the former tenant maintenance funds which were incorporated into CMF a number of years ago.

## 5.4 ICT

The Property Asset Management System (PAMS) project is underway to procure and implement an off-the-shelf property asset management system. A tender document has been produced and issued in collaboration with ESPO. The timescales for the return of the tender is mid July 2013. Evaluation and supplier demonstrations are scheduled throughout July and August with Contract award at the end of September 2013.

Engagement and the commencement of the implementation project with the chosen supplier is expected to start in November 2013. It is envisaged that the implementation go live will be phased from April 2014.

The new system will replace several of the existing property information management systems including PMIS, KEYMIS and Horizon.

A project team is in place to support the implementation that includes ICT, Finance and both Strategic and Operational Property Services experts. Where further specialist functional knowledge is required on the project other resources will be involved.

The project will ensure the continuity of good quality asset management and provide further efficiencies with integration to the Oracle financial systems.

## 5.5 Human Resources

The Property Services review and the introduction of the councils Target Operating Model has been successfully completed. The new Strategic and Operational Property Services structures came into place from 1st January 2013. Refer to Appendix 3 for Structure Diagrams

## 5.6 Procurement

The Property Services Programme of Commissioning and Procurement Reviews has been initiated in June 2013 to ensure that the council's future property services commissioning and procurement arrangements are effective, efficient, sustainable and provide value for money. The review will also evaluate the introduction of new e-tendering methods of procurement.

The review covers:-

- Minor Works and the Reactive maintenance frameworks
- Major works frameworks
- Facilities Management framework
- Estates Management Commissioning
- Specialist consultancy services commissioning.

Options appraisal and recommendations will be made be in place be the end of the 2013-2014 financial year.

The Energy Strategy as previously referred to in Section 3 incorporates the review of energy procurement.



## Appendix 1 Summary of Assets and Values

| <b>2011/2012</b>   |            |              |              |                             |
|--|------------|--------------|--------------|-----------------------------|
| <b>Land (excludes Highways land)<br/>Principal and Other Roads</b> |            |              |              | <b>4539 Ha.<br/>4145 km</b> |
| <b>Operational Assets</b>  | <b>F/H</b> | <b>Other</b> | <b>Total</b> | <b>VALUE</b>                |
| <b>Land and Buildings</b>  |            |              |              |                             |
| Nursery Schools  | 1          | 0            | 1            | £167,229                    |
| Primary Schools  | 190        | 33           | 223          | £226,019,040                |
| Secondary Schools  | 28         | 25           | 53           | £290,456,081                |
| Special Schools  | 4          | 3            | 7            | £23,413,383                 |
| Other Education  | 21         | 4            | 25           | £10,853,064                 |
| Housing (Caretakers)   | 30         | 0            | 30           | £3,525,163                  |
| Libraries (3 Public Libraries within Schools)                      | 45         | 9            | 54           | £13,238,345                 |
| Children and Family Centres  | 3          | 6            | 9            | £3,525,060                  |
| Children's Community Homes   | 2          | 0            | 2            | £1,101,073                  |
| Day Care - Elderly Persons   | 0          | 4            | 4            | £0                          |
| Day Care - Learning Difficulties                                   | 4          | 9            | 13           | £8,191,511                  |
| Day Care - Mental Health   | 2          | 3            | 5            | £614,065                    |
| Day Care - Physical Difficulties                                   | 0          | 2            | 2            | £0                          |
| Residential - Learning Difficulties                                | 5          | 0            | 5            | £1,104,140                  |
| Residential - Mental Health  | 1          | 0            | 1            | £531,087                    |
| Properties in Support of Residential Services                      | 1          | 0            | 1            | £173,959                    |
| C.C. Admin Offices and Registrars                                  | 8          | 27           | 35           | £27,735,473                 |
| Museums  | 6          | 1            | 7            | £12,926,505                 |
| Industrial (UNITS) (In 20 Estates)                                 | 187        | 29           | 216          | £9,612,519                  |
| Civic Amenity and Waste  | 14         | 0            | 14           | £3,500,264                  |
| Highways Depots  | 9          | 1            | 10           | £3,475,288                  |
| Traveller's Sites  | 2          | 1            | 3            | £519,526                    |
| <b>Community Assets</b>  |            |              |              |                             |
| Country Park landholdings  | 18         | 2            | 20           | £374,993                    |
| Farms and Smallholdings (in 38 estates)                            | 79         |              | 79           | £12,096,918                 |
| <b>TOTAL OPERATIONAL</b>   | <b>660</b> | <b>159</b>   | <b>819</b>   | <b>£653,154,686</b>         |
| <b>Non-Operational (general)</b>                                   |            |              |              |                             |
| Land in Advance  | 35         | 11           | 46           | £3,943,949                  |
| Corporately managed  | 14         | 1            | 15           | £3,027,914                  |
| <b>Surplus Property</b>  |            |              |              |                             |
| Land and Buildings declared surplus                                | 36         | 2            | 38           | £15,900,558                 |
| <b>TOTAL NON OPERATIONAL</b>                                       | <b>85</b>  | <b>14</b>    | <b>99</b>    | <b>£22,872,421</b>          |
| <b>OVERALL TOTALS</b>  | <b>745</b> | <b>173</b>   | <b>918</b>   | <b>£676,027,107</b>         |

*N B Data and Values based on LCC Asset Register @ 01/04/2012*





## Appendix 2 Performance Management

### COPROP PROPERTY MANAGEMENT INITIATIVE PROPERTY PERFORMANCE INDICATORS (PMI'S) -

#### PMI 1A - D Condition and Maintenance Indicators (All property classes)

1A - Percentage of portfolio (m<sup>2</sup>) that falls into Condition Categories A - D

|                     | A         | B         | C         | D        |
|---------------------|-----------|-----------|-----------|----------|
| <b>12/13 Actual</b> | <b>38</b> | <b>37</b> | <b>23</b> | <b>2</b> |
| 11/12 Actual        | 28        | 44        | 26        | 2        |
| 10/11 Actual        | 26        | 41        | 30        | 3        |
| 09/10 Actual        | 25        | 42        | 30        | 2        |
| 08/09 Actual        | 19        | 48        | 30        | 2        |

Based on properties which are categorised A - D x GIA Drivers.

1B(i) & 1B(ii) - Backlog Maintenance by cost as a total value in priority levels 1 - 3

|                     | 1                      | 2                        | 3                        |
|---------------------|------------------------|--------------------------|--------------------------|
| <b>12/13 Actual</b> | <b>£1,000,644 (1%)</b> | <b>£35,446,614 (51%)</b> | <b>£33,549,815 (48%)</b> |
| 11/12 Actual        | £1,411,632 (1%)        | £63,128,529 (51%)        | £59,481,614 (48%)        |
| 10/11 Actual        | £733,419 (1%)          | £70,001,787 (53%)        | £60,976,103 (46%)        |
| 09/10 Actual        | £666,306 (1%)          | £67,791,912 (53%)        | £60,390,295 (47%)        |
| 08/09 Actual        | £720,930 (1%)          | £64,993,529 (52%)        | £60,152,181 (48%)        |

1B(iii) - Total cost of required maintenance

|  |   |
|--|---|
| <b>12/13 Actual</b><br><b>01/04/13</b> | <b>£69,997,073</b><br><b>£104</b><br><b>£36,833,916 (53%) Schools</b> |
| 11/12 Actual<br>01/04/12               | £124,021,775<br>£120.92 m <sup>2</sup><br>£94,684,583 (76%) Schools   |
| 10/11 Actual<br>01/04/11               | £127,574,376<br>£109 m <sup>2</sup><br>£99,896,553 (78%) Schools      |
| 09/10 Actual<br>01/04/10               | £128,848,513<br>£131 m <sup>2</sup><br>£103,778,650 (80%) Schools     |
| 08/09 Actual<br>01/04/09               | £125,866,640<br>£122 m <sup>2</sup><br>£103,327,643 (82%) Schools     |

Building Cost Inflation  
Year on Year

|              |                                       |
|--------------|---------------------------------------|
| <b>12/13</b> | <b>+2.9%</b>                          |
| 11/12        | +0.07%<br>(1,025,629 m <sup>2</sup> ) |
| 10/11        | +2.5%                                 |
| 09/10        | +1.5%                                 |
| 08/09        | +4.8%                                 |

Building Cost Year on Year (BCI Index Period 2 Current year) – (Period 2 Previous year) divided by previous year

1C - Annual percentage change to total required maintenance figure over previous year:

|                     |                     |             |
|---------------------|---------------------|-------------|
| <b>12/13 Actual</b> | <b>-£54,024,702</b> | <b>-43%</b> |
| 11/12 Actual        | -£7,689,534         | -5.8%       |
| 10/11 Actual        | +£941,545           | +0.7%       |
| 09/10 Actual        | +£766,191           | +0.6%       |
| 08/09 Actual        | +£8,442,623         | +7.2%       |

Academy Conversions

1D (i) – Total Transactions on maintenance in previous financial year.

|                   |   |
|-------------------|---|
| <b>£6,612,993</b> | (All transaction from R. & M.(R+P+SC) Codes from FIS from 1/4/12 - 31/3/13) |
|-------------------|---|

1D (ii) – Total spend on maintenance per sq.m GIA.

|   |                         |
|---|-------------------------|
| <b>Total spend £9.83 /sq m<br/>where LCC has M &amp; R responsibility</b> | Total 672,555 sq.m. GIA |
|---|-------------------------|

1D (iii) Percentage split of total spend on maintenance between planned and reactive maintenance.

|                                   |  |
|-----------------------------------|--|
| 30.7 % Planned<br>69.3 % Reactive | 2013 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £225,521.62 |
| 46.7% Planned<br>53.4% Reactive   | 2012 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £85,203.08  |
| 47.7% Planned<br>52.3% Reactive   | 2011 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £126,623    |
| 55.3% Planned<br>44.7% Reactive   | 2010 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £103,581    |
| 50.7% Planned<br>49.3% Reactive   | 2009 Based on value of orders placed in year for planned and reactive maintenance raised in that financial year using project codes and including Service Contracts (but not Estates Orders which are not classified = £237,361    |

### PMI 2 A - C Energy and Water Consumption and CO<sub>2</sub> Emissions

2A - Energy (to be reported for all operational properties including Schools, but excluding housing) (Only includes Electricity & Gas)

|                                       | 2011/2012                 | 2012/2013                 |
|---------------------------------------|---------------------------|---------------------------|
| Energy Cost Total Spend               | £10,055,064               | £11,763,690               |
| Energy Total Consumption (Kwh)        | 181,387,101               | 203,820,013               |
| Energy cost per sq.m.                 | £ 10.98/m <sup>2</sup>    | £13.00/ m <sup>2</sup>    |
| Energy Consumption per m <sup>2</sup> | 198.07 Kwh/m <sup>2</sup> | 225.24 Kwh/m <sup>2</sup> |

2C - CO<sub>2</sub> Emissions (to be reported for all operational properties including Schools, but excluding housing)

|  | 2011/2012                                   | 2012/2013                                   |
|--|---|---|
| CO <sub>2</sub> Total Emissions                | 48,272 Tonnes CO <sub>2</sub>               | 53,528 Tonnes CO <sub>2</sub>               |
| CO <sub>2</sub> Total Emissions/m <sup>2</sup> | 0.05 Tonnes CO <sub>2</sub> /m <sup>2</sup> | 0.06 Tonnes CO <sub>2</sub> /m <sup>2</sup> |

NB The lower figure for 2011/2012 is due to only being required to report 90% of the CO<sub>2</sub> output.

2012/2013 was a much colder year than the previous year.

Data cleansing, only 28 reports missing so no approximation of data based on a previous year

Only Gas and Electricity supplies qualify for CRC purposes in 2012/2013, in previous years it covered oil, kerosene, coal etc

PMI 3 A & B Suitability No longer in use – no challenge but will be refreshed as part of the new Area Based Asset Challenge during 2013/14

| PMI |  | Actual 10/11 | Actual 11/12 | Target 12/13 set by Dept Service Plan |
|-----|--|--------------|--------------|---------------------------------------|
| 3A  | Percentage of operational buildings by GIA (Excluding Schools and Housing) for which a suitability survey has been undertaken in the last five years | 100%         | 100%         | 100%                                  |
| 3B  | Number of properties for which a suitability survey has been undertaken within the last five years   |              |              | 100%                                  |

#### Local Indicators: Industrial Estate

| LPI Ref No | PI Description   | Leicestershire Industrial Portfolio  |                                     |                                    | Target 13/14     |
|------------|--|--------------------------------------|-------------------------------------|------------------------------------|------------------|
|            |  | 10/11 Actual (Target)                | 11/12 Actual (Target)               | 12/13 Actual (Target)              |                  |
| LPI 1      | Attain Target Investment Rate of Return  | v<br>( > 6%)                         | 14.28%<br>v<br>(6%)                 | 9.58%<br>v<br>(6%)                 | > 6%             |
| LPI 2      | Attain the average market return on capital over the whole portfolio             | 18.27%<br>v<br>(14.4%)               | 2.82%<br>v<br>(13.5%)               | -2.7%<br>v<br>(13.3%)              | >13.3% *         |
| LPI 3      | Attain the average market net income return target                               | 6.7%<br>v<br>(4.21%)                 | 6.78%<br>v<br>(7.1%)                | 4.7%<br>v<br>(7.1%)                | >7.1% *          |
| LPI 4      | Attain the average market yearly capital growth target                           | 14.06%<br>v<br>(7.7%)                | -3.96%<br>v<br>(6.3%)               | -7.4%<br>v<br>(7.7%)               | >7.7% *          |
| LPI 5      | Increase the average rent per square foot over the whole portfolio year on year. | £4.19<br>v<br>(£4.83)                | £4.79<br>v<br>(£4.19)               | £4.06<br>v<br>(£4.79)              | >£4.06           |
| LPI 6      | Attain agreed voids target for Area and Rent. Area & Rent < 5%                   | A 11.35%<br>R 12.21%<br>v<br>( < 5%) | A 15.9%<br>R 17.04%<br>v<br>( < 5%) | A 14.8%<br>R 13.7%<br>v<br>( < 5%) | A < 5%<br>R < 5% |
| LPI 7      | Attain unsecured 90 day debt target of < 5% Gross Income                         | <1%<br>v<br>( < 5%)                  | 3.36%<br>v<br>( < 5%)               | 3.53%<br>v<br>( < 5%)              | < 5%             |
| LPI 8      | Increase revenue surplus per square foot year on year over the whole portfolio   | £1.03<br>v<br>(£1.56)                | £1.81<br>v<br>(£1.53)               | £1.12<br>v<br>(£1.81)              | >£1.12           |
| LPI 9      | Maintain management cost target below 15%  | 15.75%<br>v<br>( < 15%)              | 14.88%<br>v<br><15%                 | 16.13%<br>v<br><15%                | < 15%            |

\* National Average derived from bench marking survey results

## Local Indicators: County Farms

| PI Ref No | PI Description  | Leicestershire County Farms         |                                    |                                     | Target 13/14         |
|-----------|---|-------------------------------------|------------------------------------|-------------------------------------|----------------------|
|           |   | 10/11 Actual (Target)               | 11/12 Actual (Target)              | 12/13 Actual (Target)               |                      |
| LPI 10    | Attain Target Investment Rate of Return > 6%                                    | 10.44%<br>v<br>(> 6%)               | 12.74%<br>v<br>(> 6%)              | 11.88%<br>v<br>(> 6%)               | > 6%                 |
| LPI 11    | Attain Savills average return on capital target over the whole portfolio        | 37.2%<br>v<br>(12.6%)               | 48.3%<br>v<br>(9.1%)               | 34.0%<br>v<br>(9.0%)                | >9.0% *              |
| LPI 12    | Attain Savills average net income return target                                 | 5.3%<br>v<br>(> 1.9%)               | 4.3%<br>v<br>(> 1.8%)              | 6.8%<br>v<br>(> 1.3%)               | >1.3% *              |
| LPI 13    | Attain Savills average yearly growth target                                     | 32.0%<br>v<br>(> 10.6%)             | 44%<br>v<br>(> 7.3%)               | 27.3%<br>v<br>(> 7.3%)              | >7.3% *              |
| LPI 14    | Increase the average rent per acre over the whole of the portfolio year on year | £96.94<br>v<br>(£93.24)             | £101.4<br>v<br>(£96.94)            | £107.74<br>v<br>(£101.40)           | £101.40              |
| LPI 15    | Attain agreed voids target for Area and Rent.                                   | A 0.002%<br>R 0.024%<br>v<br>(< 5%) | A 0.023%<br>R 2.56%<br>v<br>(< 5%) | A 0.004%<br>R 0.003%<br>v<br>(< 5%) | Area <5%<br>Rent <5% |
| LPI 16    | Attain unsecured 90 day debt target of < 5% Gross Income                        | 4.09%<br>v<br>(< 5%)                | 3.09%<br>v<br>(< 5%)               | 2.19%<br>v<br>(< 5%)                | < 5%                 |
| LPI 17    | Attain target level of re-lettings to new entrants                              | 0%<br>v<br>(2.6%)                   | 0%<br>v<br>(0.96%)                 | 1.3%<br>v<br>(0.96%)                | 1.3%                 |
| LPI 18    | Increase revenue surplus per acre, year on year, over the whole portfolio       | £38.74<br>v<br>(£34.25)             | £41.49<br>v<br>(£38.74)            | £52.14<br>v<br>(£41.49)             | £41.49 **            |
| LPI 19    | Maintain management cost target below 15%                                       | 10.9%<br>v<br>(< 15%)               | 9.4%<br>v<br>(< 15%)               | 6.58%<br>v<br>(< 15%)               | < 15%                |

LCC is a member of the Savills Benchmarking Services. Savills, a national property surveying and land agency firm, collates, analyses and publishes performance benchmarking information from 175 participating agricultural estates. Referred to as the 'comparator group', these estates total more than 850,000 acres and are owned by a mix of private landowners, institutional landowners and public sector bodies.

\* National Average derived from benchmarking survey results.

\*\* Exclusive of surplus from environmental schemes.

## Appendix 3 Property Services Teams

**Strategic Property Services** acts as the Council's strategic property advisor.

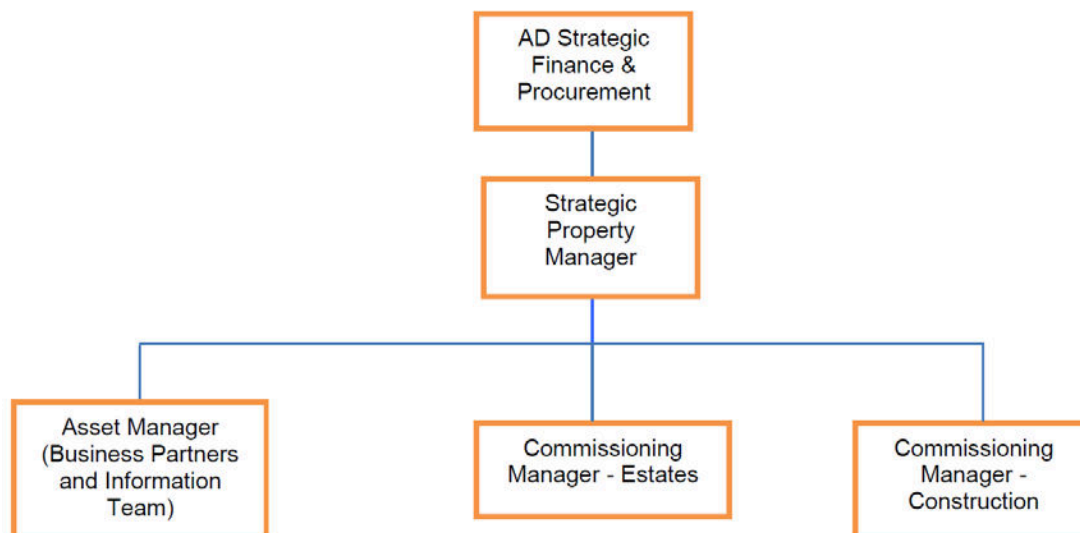
It sets the strategic direction for planning, procuring, developing, utilising and managing the property resources that are used by the Council.

It ensures that money spent on property and property services is a sound and effective investment; that the Council has the facilities it needs and can afford; and that all legal and statutory requirements are met.

It is responsible for getting the best out of existing property and supporting services, whether these are provided in-house or procured from external providers.

The Service is also responsible for planning to ensure that the Council has the facilities it needs, and can afford, to deliver its future services and plans.

**Fig 1: Strategic Property Services Management Structure**



Note: summary description of the three SPS teams is contained in Appendix 3

### Asset Management Team

Business Partners are the first point of contact for all internal and external clients on property related matters affecting their service. The team reviews and evaluates all property related requests before passing them for delivery and commissioning.

The Information Team control all property related information including an extensive database of all council land ownerships and property interests together with detailed CAD and site plans, operating costs and performance measures.

The Asset Management Team have a strong customer focus, providing the strategic direction for the use, management, development, planning and procurement of all the Council's property needs to ensure that its clients can provide the most cost effective and efficient services possible.

### **Commissioning Manager – Estates**

The Commissioning Manager for Estates is responsible for delivery of proactive management of the Council's land and property assets through efficient disposal and acquisition of property holdings ensuring best value, timely implementation of lease events and lease restructuring in order to mitigate liability and reduce costs.

An effective and efficiently run service is achieved through the management of the Estates Framework Agreement, Service Level Agreements and Partnership arrangements. Commissioning Estates is also responsible for advice and recommendations given to elected members and service areas.

### **Strategic Commissioning – Construction**

Strategic Construction acts to provide the Authorities commissioning service for all building construction works ranging from feasibility to practical completion, together with project management and financial monitoring. Major works are Project Managed within the team, with minor works /maintenance being commissioned to Operational Property Services (OPS) and monitored by the Strategic team.

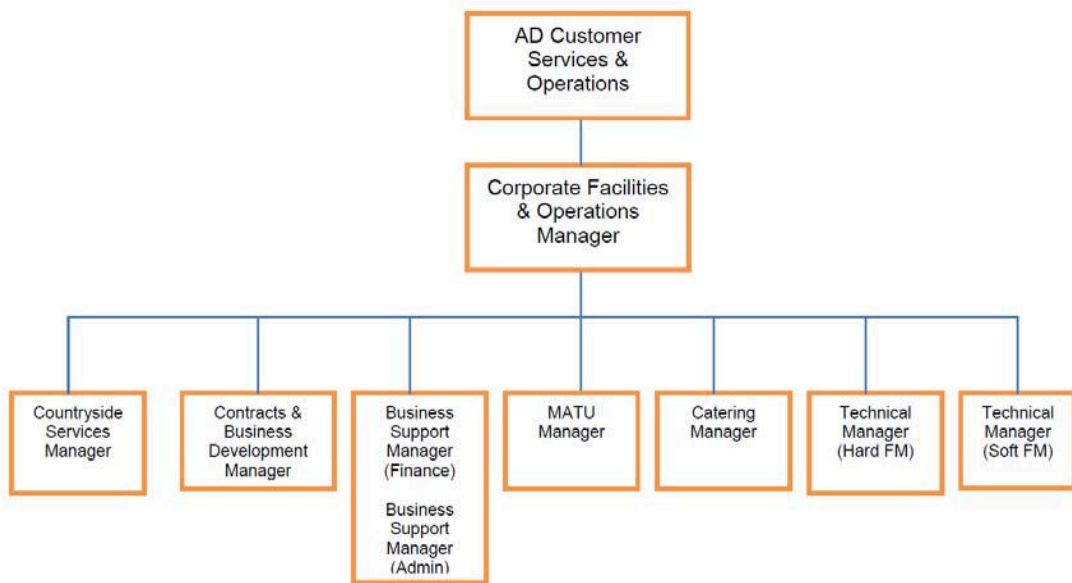
All day to day building compliance and health and safety issues are commissioned to OPS but overseen by Strategic Construction. Other significant areas of responsibility are the monitoring of energy usage and CO2 output including planning how to achieve carbon reduction targets by 2020.

**Operational Property Services** provides Facilities and Property Management, to support LCC's corporate estate and those of its customers including Schools, Academies, Leicestershire Constabulary, LFRS, district councils, parishes, and other external customers.

The service ensures assets are fit for purpose, legally compliant and create an environment suitable to encourage existing and new business enterprise throughout Leicestershire. Many of its services are also provided to external customers attracting additional income to Leicestershire County Council.

Services are delivered by both in-house teams and established outsourced suppliers, which supports its aim to promote customer focus, value for money, sustainability and inward investment.

**Fig 2: Operational Property Services Management Structure**



MATU – Multi Agency Travellers Unit





## Appendix 4 Capital Programme Schemes – 2013-2017

**Fig 1:**

### Capital Programme Schemes - 2013-2017 (Property related projects)

| Capital Budget   | 2013/14<br>£000 | 2014/15<br>£000 | 2015/16<br>£000 | 2016/17<br>£000 | Total<br>£000 |
|--|-----------------|-----------------|-----------------|-----------------|---------------|
| <b><u>CYPS</u></b>   |                 |                 |                 |                 |               |
| <u>Commitments</u>   |                 |                 |                 |                 |               |
| Short Breaks for Children - Aiming High                              | 380             | 0               | 0               | 0               | 380           |
| Development of SEN Provision   | 451             | 489             | 0               | 0               | 940           |
| Loughborough Ashmount Replacement School                             | 4,800           | 500             | 0               | 0               | 5,300         |
| <u>New Starts</u>  |                 |                 |                 |                 | 0             |
| School Accommodation Programme                                       | 10,159          | 0               | 0               | 0               | 10,159        |
| Strategic Capital Maintenance  | 3,000           | 0               | 0               | 0               | 3,000         |
| Replacement Playing Field - Croft Primary School                     | 200             | 0               | 0               | 0               | 200           |
| <b>Overall Total</b>   | <b>18,990</b>   | <b>989</b>      | <b>0</b>        | <b>0</b>        | <b>19,979</b> |
| <b><u>ENVIRONMENT AND TRANSPORT -<br/>TRANSPORTATION</u></b>         |                 |                 |                 |                 |               |
| Highways Depot Review  | 250             | 0               | 0               | 0               | 250           |
| <b>Total</b>   | <b>250</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>250</b>    |
| <b><u>ADULTS &amp; COMMUNITIES</u></b>                               |                 |                 |                 |                 |               |
| Snibston Discovery park - refurbishment of scheduled monument        | 1,465           | 0               | 0               | 0               | 1,465         |
| Extracare Provision in Blaby   | 120             | 1,080           | 0               | 0               | 1,200         |
| Minor Capital Works  | 60              | 60              | 60              | 60              | 240           |
| <b>Total</b>   | <b>1,645</b>    | <b>1,140</b>    | <b>60</b>       | <b>60</b>       | <b>2,905</b>  |
| <b><u>CORPORATE RESOURCES</u></b>                                    |                 |                 |                 |                 |               |
| Aston Firs Travellers Site - major refurb                            | 384             | 0               | 0               | 0               | 384           |
| County Hall Refurbishment - Phase 2 Works                            | 500             | 0               | 0               | 0               | 500           |
| Property Management Information System                               | 50              | 300             | 0               | 0               | 350           |
| Demolition of Vacant Buildings                                       | 500             | 0               | 0               | 0               | 500           |
| County Farms - Disposal Facilities & General Improvements            | 150             | 150             | 150             | 150             | 600           |
| Purchase of additional agricultural land                             | 500             | 500             | 500             | 500             | 2,000         |
| <u>Invest to Save Programme (subject to approved business cases)</u> |                 |                 |                 |                 |               |
| Poole Farm, Quorn - redevelopment                                    | 0               | 550             | 250             | 0               | 800           |
| Ind Properties - Replacement of roofs                                | 0               | 1,000           | 1,000           | 0               | 2,000         |
| County Hall - Waste and Recycling Project                            | 50              | 0               | 0               | 0               | 50            |
| <b>Total</b>   | <b>2,134</b>    | <b>2,500</b>    | <b>1,900</b>    | <b>650</b>      | <b>7,184</b>  |
| <b><u>CORPORATE PROGRAMME</u></b>                                    |                 |                 |                 |                 |               |
| <u>Commitments</u>   |                 |                 |                 |                 |               |
| Property Services: Acquisition of Fire HQ                            | 1,500           | 495             | 0               | 0               | 1,995         |
| <u>New Starts</u>  |                 |                 |                 |                 |               |
| <u>Invest to Save Programme (subject to approved business cases)</u> |                 |                 |                 |                 |               |
| Energy Efficiency Measures   | 0               | 2,000           | 2,000           | 0               | 4,000         |
| Storage Review   | 0               | 1,000           | 1,000           | 0               | 2,000         |
| Replacement Loughborough Pennine House                               | 20              | 1,500           | 1,000           | 50              | 2,570         |
| <b>Total</b>   | <b>1,520</b>    | <b>4,995</b>    | <b>4,000</b>    | <b>50</b>       | <b>10,565</b> |
| <b>Grand Total</b>   | <b>24,539</b>   | <b>9,624</b>    | <b>5,960</b>    | <b>760</b>      | <b>40,883</b> |

