



**North West Leicestershire
District Council**

Housing and Property Services

**General Fund
Asset Management Strategy**

2019 - 2024

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1 Executive Summary

1.1 The General Fund Asset Management Strategy (AMS) is one of a number of key strategic documents that shape the work of the Council:

- **General Fund Asset Management Strategy** – The document provides a service and financial framework within which the Council conducts its activities relating to land and property assets. This excludes the Council's housing stock, which is covered by a separate strategy to reflect the different funding and legal environment in which the provision of social housing is managed.
- **Medium Term Financial Plan** – provides details of the financial environment in which the Council conducts its business as a local authority, including details of revenue and capital budget availability and future pressures and opportunities.
- **Treasury Management Strategy** – articulates the councils approach to management of capital financing through prudential borrowing, and other sources of funding.
- **Council Delivery Plan** – articulates the priorities for the organisation over the next year, with projections to future years.
- **People Plan** – our key strategic workforce planning document which is critical to inform our future accommodation needs as an organisation.
- **Housing Revenue Account (HRA) Business Plan** - Provides the strategic financial and service planning framework for the Councils landlord role over the next 30 years. Contains a narrative section and a financial model section.
- **HRA Asset Management Strategy** - Provides a framework document for the maintenance and improvement of the Councils housing stock over the next 30 years. This includes disposal of poorly performing stock and acquisition of new stock to meet future needs.
- **Commercial Strategy** – Investments to generate additional income will need to be made with reference to our Commercial Strategy, with particular reference to the “Making the most of our assets” are and “marketing our services”,
- **Corporate Charging Policy** – Ensure alignment of all commercial activities with the requirements of this policy.

These core documents are supported by a range of other policies and strategies that focus on specific areas of activity the council undertakes. As land and property is a cross cutting issue, links to these other documents are critical to ensure that the priorities of the council are delivered in a timely and cost effective manner. All these core documents are interlinked, and will be updated periodically in response to changes in local/national policy, and market conditions. Typically, they plan in detail over a 1 to 5 year horizon, with forward projections provided over the longer term, up to 30 years.

1.2 Significant recent decisions relating to the council's approach to the management of land and property are detailed below;

- 2017 - Adoption in principle of the Corporate Landlord Model consolidating the management of all land and property assets within the property services team.

- 2017 - End of the shared service arrangement with Charnwood Borough Council for the provision of strategic and operational property services support. Service delivered by interim agency staff;
- 2018 - Review of delivery options for property service concludes that in house, in house delivery of this function is to be the way forward.
- 2018 – Corporate senior management restructure creates the new combined Housing and Property Department.
- 2018/19 - Implementation of the new structure concluded (with the exception of the Team Manager role, which we are actively seeking to recruit to).
- 2019 - Draft General Fund Asset Management Strategy produced.

1.3 The financial details contained within this AMS are based on the 2019/20 approved budget, with further work underway to produce accurate future funding needs assessment for the land and property portfolio going forwards. This will include the introduction of active asset management, to replace the passive environment of recent years. Through this approach there will be a rigorous review of the performance of commercial assets and an active disposal programme where appropriate. In addition, all other land and property assets will be reviewed over a period of time to determine the most appropriate and cost effective future approach for their management. The disposals programme will also be supported by an acquisitions programme, the scope and scale of which is to be determined.

1.4 The councils' land and property portfolio fall into four groups of assets -

Commercial Assets – land and property held to either generate revenue income or capital growth, or for strategic investment / regeneration purposes.

Operational Assets – property held to facilitate the delivery of services by the council, including offices, depots, leisure centres and other similar buildings.

Community and Heritage Assets – assets of benefit to the local community, including scheduled ancient monuments like Moira Furnace, war memorials, public open spaces, closed church yards, and street art in towns and villages across the district.

Other Assets – land and property often held for historic reasons, which has no operational value. Examples may include footpaths and unadopted roads, agricultural land, small incidental open spaces and amenity area.

In addition to these directly owned and managed assets, the Property Services team also manage our responsibilities with respect to Assets of Community Value legislation. Through this process, local communities can ask the Council to list buildings that are particularly important to them. If approved, the community has to be given 6 months to put together a bid to buy any land or building on the list if it becomes available for sale. There are specific criteria to be used when determining is an asset can be listed, and this assessment will be made in cooperation with the Community Services team, Once listed the owner of the building does not have to sell it to a community group, but must offer them an opportunity to buy it before it can be disposed of commercially.

1.5 This updated AMS represents a fundamental review of the previous strategy, and will require further review and updating as the actions in the action plan are completed in relation to assessing the condition and investment needs of our land and property portfolio. This information will lead to a review of the ownership arrangements for our portfolio with associated detailed investment and disposal plans to be developed.

Key future actions will include -

- Detailed reassessment of the **condition of the current portfolio**, with costed improvement plans;
- A reassessment of **future expenditure (capital and revenue) required** to maintain and improve the condition of the portfolio to be retained, building on the review of our core commercial portfolio carried out by Savills in early 2019;
- Further enhancement of the approach to **compliance**, ensuring that management arrangements are strengthened through improved management information and associated action planning to address issues identified in a structured and comprehensive manner;
- **A disposals programme** for surplus and poorly financially performing assets;
- Develop a programme of **acquisition of assets** to meet operational needs, and for investment purposes, with a view to increasing our commercial rental income to £1m per annum by 2024;
- Reassessment of the **accommodation needs for the organisation** over the short and longer term to ensure our offices are future proofed against new the working environment required as we deliver the People Plan;
- Introduction of **net present value assessments** when modelling financial performance of assets, using the Council's investment appraisal tool, to determine the current value of future income streams from investment properties;
- Relaunch of the **Corporate Landlord Model** approach to consolidating the management of our property portfolio within the Corporate Property Services team with associated restructuring of budget structures.

1.6 Key priority projects from the new AMS are:

- **Deliver Moira Furnace improvement works** to the structure and fabric of this scheduled ancient monument;
- **Coalville office accommodation** improvement project, including works to civic area and meeting rooms as well as office accommodation;
- **Commercial portfolio review implementation** including rent reviews, improvement programme and disposals;
- **Embracing the carbon reduction agenda** and ensuring all our buildings are as efficient as they can cost effectively be made, and developing and implementing a specific Action Plan to deliver this change;
- **Supporting regeneration activities** through the delivery of the land and property actions across the district, particularly relating to activities in Coalville, including the new Leisure Centre;
- **Increasing the performance of existing assets** by reducing vacancy periods and reletting empty units more promptly, as well as ensuring that rent payments are made promptly and action is taken if there is default. Also, developing and introducing sinking funds and ensuring rent levels reflect market levels.

1.7 There are a number of strategic risks that need to be considered and incorporated into the ongoing management and development of the AMS. These include:

Capacity – the right skills and capacity levels will be essential to deliver our ambitions to reshape our property services activities. Recruitment challenges at senior management level have already created issues and delays, and these are being managed and mitigated through the use of agency interim staff and a proactive approach to recruitment.

Funding – historic lack of investment in many of our property assets has created a backlog of repair and improvement works. The initial “catch up” period will require additional funding, which, if not available will undermine our ability to move to a more professional environment

within the service, which balances short medium and long terms investment needs rather than being reactive.

Flexibility – emerging corporate challenges will always require a service to be agile to respond to these issues as they are identified. Effective management will be required to ensure that this does not detract from the delivery of the core service improvement agenda for the property services team.

Consistency – ensuring that the same principles and approaches are adopted across both this strategy and the HRA Asset Management Strategy. The latter has been in place since 2015 and many of its principles such as the emphasis on net present value assessments and selective acquiring and disposing of properties have been incorporated into this strategy. Management of housing and corporate assets is now integrated within the combined Housing and Property department which will promote a unified approach.

1.8 Key issues/decisions/choices arising from the AMS:

Appetite for commercial investment to generate income; acquisition of commercial property to generate revenue income streams which support business as usual activities for councils is an established model which many are already utilising. Such investments can be either inside or outside the local authority's boundaries. Some of the key questions relating to developing this approach relate to the appetite for risk, investment location and the anticipated level of return. Some councils have restricted their geographical area of investment to their own district area or county. In a competitive market to acquire assets that are performing at the required levels this can lead to price inflation, if other investors are also active in the local market.

Acquisitions and investments need to be consistent with the Council's Investment Strategy – Service and Commercial which was adopted in February 2019 and sets parameters around risk exposure, financial appraisals and how investments are funded.

Disposal decisions relating to poorly performing assets – whilst some assets may be producing yields which are below market expectations, this still represents a positive income stream to the Council. Before disposal, careful consideration needs to be given to the opportunities to reinvest any funds derived from a sale to achieve a higher yield, and the associated risks of the transition process. All assessments of the financial performance of assets will be made with reference to the Corporate criteria for these decisions to ensure we are making consistent decisions that reflect the processes and priorities described in the Commercial Strategy.

Balancing carbon reduction costs and ambitions – there are many environmentally responsible alterations that can be made to our portfolio using existing retrofit technologies. These vary in cost significantly, and our ambitions in this area will need to be carefully balanced against our available resources.

1.9 The consultative process for approving the AMS is as detailed below –

- | | |
|---|------------------|
| • Housing Senior Management Team | 22 August 2019 |
| • Corporate Leadership Team | 14 August 2019 |
| • Asset Management Group | 29 August 2019 |
| • Corporate Scrutiny Committee | 4 September 2019 |
| • Cabinet | 12 November 2019 |
| • Adoption and implementation to commence | Nov/Dec 2019 |

2. Overview

- 2.1 The property services activities of the council are moving through a period of significant change. Key to the success of this journey will be the adoption of a more commercial and professional culture within the service, with high professional standards, and proactive approach to the active asset management of our portfolio of land and property assets.
- 2.2 This Strategy provides the framework to govern the repair, maintenance and investment in our portfolio and describes how this challenge will be delivered in line with our corporate objectives. It also articulates our future plans to support the Council's Journey to Self Sufficiency programme, by generating additional revenue income from property investments and commercial activities, and sweating existing assets.
- 2.3 Central to this strategy is our developing commercial business model in partnership with the Finance Team, aimed to ensure that our investment decisions are always informed by a range of contributing factors that include:
- Rates of return from investment opportunities and existing assets;
 - Market conditions for letting any acquisitions;
 - Investment costs required to maintain the value of the assets;
 - External funding opportunities;
 - Maximising the effect of our investment on the local economy;
 - Reducing carbon emissions.
- 2.4 As well as investing in our existing properties we anticipate that in the next five years and beyond we will also be undertaking significant activity in terms of:
- Disposal of existing stock which is not performing at a satisfactory level, or requires extensive investment, making it not financially viable;
 - Reviewing our asset register to determine land and property which we should no longer hold, and making appropriate arrangements to dispose of it to different management arrangements where necessary;
 - Supporting the regeneration of the wider environment in which our land and property is located to enhance its value;
 - Building and/or acquiring new property for commercial returns working closely with our new Local Housing/Trading Company.
- 2.5 Through our Asset Management Strategy and supporting activity we also aim to invest significantly in the local economy in respect of employment, skills and training and we will specifically contribute to the following Council priorities, as detailed in the Council Delivery Plan:

Supporting Coalville to be a more vibrant and family-friendly town

- Supporting the delivery of the Coalville regeneration framework.
- Working closely with services on key projects like the new Leisure centre, Marlborough Square refurbishment, Market relocation, Phase 2 of Memorial Square improvements.
- Working with the Belvoir Centre to increase sustainability.

Our communities are safe, healthy and connected

- Actively support the digital by default agenda for the provision of FM services.
- Involvement in the new leisure centre provision.

- Facilitate the accommodation elements of the improvement of the CCTV system.

Local people live in high quality, affordable homes

- Consider the business case for developing market rental schemes, and purchasing of properties for private rental.

Support for businesses and helping people into local jobs

- Provide a range of business accommodation options to new start up and growing businesses.
- Use local contractors for repair and improvement works, retaining spend within the local community.
- Explore the opportunity for more repair work to be completed using the in-house team, allowing for additional employment options and training apprenticeship opportunities.
- Develop and offer a Facilities Management (FM) support service to local community groups and businesses working on capital projects, and support for compliance activities.

Developing a clean and green district

- Lead by example in reducing the carbon footprint of our land and property portfolio.
- Support the installation of vehicle charging points in car parks if the conclusion of the pilot scheme supports this approach.
- Installation of LED lighting in Council buildings using Salix grant loan funding if appropriate.

Additionally the AMS is supportive of the Value For Money thread that runs through the CDP:

Value for money

- Managing budgets carefully and sensibly.
- Providing excellent value for money services.
- Investing in key schemes and infrastructure that make a real difference to communities.
- Balancing the books and planning for the future.
- Identifying and developing commercial income opportunities, particularly through providing a Facilities Management services to the voluntary sector and Parish Councils.

3 Introduction

3.1 Within the General Fund land and property portfolio North West Leicestershire District Council owns 276 land and property assets (as at 1 June 2019). The key individual asset records are detailed in Appendix A, and vary from bus shelters and notice boards, through to commercial properties of significant value.

The AMS sets out how we will achieve our strategic aims to ensure that we invest wisely in this portfolio, having regard to investment needs and operational requirements of services, and future regeneration and development opportunities within the District. It is imperative that we maximise the use of all available funding streams, and take advantage of the opportunities to generate additional income to support the General Fund.

3.2 The key objectives arising from this Strategy are:

- To maintain our property portfolio in a way that protects and enhances value.
- To embrace the carbon reduction agenda, and work towards becoming an exemplar of what can be achieved through retrofit and refurbishment of commercial buildings.
- To optimise the balance between planned and responsive revenue expenditure, and ensure that repairs and maintenance activity is planned to maximise the use of resources;
- To deliver value for money and efficiency savings, where possible;
- To achieve continuous improvement in property related services through effective performance management;
- To promote Equality and Diversity through our investment plans;
- To support the Council's regeneration programmes.

3.3 This Strategy is a key document which supports the Council's future financial plans, and forms part of the Corporate Journey to Self Sufficiency (J2SS) programme which is leading the Council's approach to meeting the financial challenges of reducing central government grant funding, and an increasing reliance on other sources of income.

3.4 Our approach to the management of our property assets will change and develop over the next five years. Traditionally, asset management at North West Leicestershire has been predominantly reactive, with limited medium and long terms planning for funding requirements.

3.5 The future focus of our approach to managing our land and property assets is to move away from this approach and to determine our investment priorities to deliver more than just a rolling building component replacement on failure programme. It will also feature active asset management in a more transparent way, with an active acquisition and disposal programme to be developed.

3.6 This approach will be based on not just the technical investment need of our properties but also the outcomes of our investment for the commercial sector and the wider community in the District as a whole.

3.7 The four stages of our planning and investment model are briefly outlined below:

Diagnose

- Robust and up to date stock condition data;
- Market demand analysis;
- Net Present Value calculations and financial analysis using Corporate commercial

- appraisal toolkit;
- Research and intelligence;
- Corporate strategies alignment.

Plan

- Consultation with any interested parties;
- Assess funding opportunities;
- Map delivery options;
- Procurement options assessment;
- Evaluated new technology solutions.

Invest (dis-invest)

- Deliver programmes.(investment/ acquisitions/ disposals)

Learn

- Impact evaluation;
- Financial performance evaluation;
- Review report and learning sharing.

3.8 Our investment priorities will however, initially focus on seven key areas as highlighted below:

- Legislative and Health and Safety Compliance;
- Carbon Footprint reduction / energy efficiency;
- Enhancing the value of existing assets through structured investment;
- Disposal of financially poorly performing assets;
- Acquisition of positively performing assets;
- Support for regeneration activities through land and property transactions;
- Strategic acquisition for development or redevelopment purposes

4. **Customers**

- 4.1 The core customers of the property services team are; -
- Commercial tenants;
 - Lease/license holders;
 - Other services within the council through the Corporate Landlord Model;
 - Members of the public who have enquiries about land ownership/purchases.
- 4.2 Treating all our customers with respect and offering a quality consistent service, which reflects any equalities issues we need to consider, are core values of the service.
- 4.3 Feedback from all our customers is an essential tool in reshaping and refining the service to learn for things that go well, and things that could have been better. Using feedback from any complaints to review how we deliver services allows us to continually improve. In addition, we will celebrate the success of receiving compliments by sharing these across the service.
- 4.4 Formal consultation with tenants about changes affecting their tenancies will be undertaken in an open and honest way, with comments and questions encouraged. This may be in writing or through meetings (either group or one to one) depending on the issue under consideration. When appropriate surveys may also be used to seek views about service standard changes or other changes to the management arrangements for tenancies.
- 4.5 Tenants will always be notified of improvement and repair work in advance with as much notice as possible to minimise disruption to their use of the buildings.
- 4.6 The proposed introduction of dedicated “sinking funds” for each building will represent a change of approach, which will require specific consultation with affected tenants.
- 4.7 As our commercial portfolio grows, it may be appropriate to consider having a commercial tenants’ consultation group.

5. Partnership Working

5.1 We work with a number of other partners and organisations to deliver a wider positive impact on communities from our property services activities. Local external stakeholders include, but are not restricted to, the following organisations:

- Parish Councils;
- Leicestershire County Council;
- Police;
- Fire Service;
- Voluntary Groups and Agencies;
- Housing Associations and Charitable 3rd Sector Groups;
- Local Primary Care Trust / Clinical Commissioning Group;
- Citizens Advice Bureau
- One Public Estate
- Leicestershire Property Services Forum

5.2 When working with partner organisations we will always seek to identify joint working opportunities that have mutually beneficial outcomes. These may be either financial or service focused, and all projects will be assessed through a robust business case appraisal prior to committing any significant resources.

6 Our Land and Property Assets

- 6.1 North West Leicestershire is a predominantly rural district with an area covering 27,900 hectares (108 square miles) and council housing is available in each of the main towns and outlying villages. Ashby de la Zouch, Castle Donington and Coalville are the three main conurbations, with similar property type throughout.
- 6.2 The district shares borders with Hinckley and Bosworth, Charnwood, Rushcliffe, Erewash, South Derbyshire, Lichfield and North Warwickshire District Councils. It has grown rapidly in recent years and now comprises of over 37,000 homes of which we own and manage 4,402. The population of the district was 93,500 as at the 2011 Census, a growth of about 9,000 from the 2001 Census.
- 6.3 According to the 2011 Census the largest population was in Coalville (36,801 people) followed by Ashby de la Zouch (12,385), Castle Donington (6,350), Ibstock (5,961), Measham (5,200) and Kegworth (3,541).
- 6.4 The district is the 200th most deprived local authority in England (out of 354) but is the most deprived in Leicestershire (excluding Leicester City) with pockets of deprivation concentrated in Coalville, Greenhill, Ibstock, and Measham.
- 6.5 Traditionally mining and extraction was the key employment sector in the area, prior to the closure of the majority of the pits in the 1980s and 1990s. This has been replaced by a more varied workforce including a rapidly developing logistics sector taking advantage of the districts excellent communications network with the M1 and the A42 in the district as well as East Midlands Airport. The A50 provides a link from the north of the District to Stoke on Trent and the north west of England, and in the south east to Leicester, whilst the newly dualled A453 provides a direct link to Nottingham. There are however, currently no passenger rail services in the district, and bus service provision is variable. Travel to work is dominated by the use of the car.
- 6.6 There are high concentrations of working age people in Coalville and Castle Donington, whilst older people are concentrated in the Measham/Appleby Magna area and younger people in Ashby de la Zouch and Ellistown.
- 6.7 The development of the National Forest in the district has served to not only enhance the environment for local people but to bring in tourist revenue and an enhanced reputation for the district.
- 6.8 Key assets (with smaller assets filtered out) in the councils land and property portfolio are detailed in Appendix 1. They consist of;

Commercial properties – we own and operate 12 commercial properties (excludes Housing Revenue Account shops which are covered by the HRA AMS).

- Whitwick Business Centre
- The Courtyard, Stenson Road Whitwick
- Market Street Coalville
- Unit 1 and 2 Forest Court, Linden Way Coalville
- Stenson House, Whitwick Road Coalville
- Ashby Town Hall, Ashby de la Zouch
- Tanyard House, High Street Measham
- Marquis Court, Moira
- Mease House, Measham
- Moira Workshops, Moira
- 17 Ashby Road, Moira (Moira Replan)

All of these assets have recently been subject to external review by Savills as part of a piece of work that concluded in February 2019. The outcome from this work is explained in more detail later in this strategy.

- **Car parks** – located throughout the district with some income generating and others free to use.
- **Cemeteries and closed church yards** – active cemeteries in Coalville, Whitwick and Hugglescote, and closed church yards in various locations which we are responsible for the ongoing management and maintenance of.
- **Offices, depots and leisure centres** – including the Councils main offices and depot at Linden Way in Coalville, as well as leisure centre's in Ashby and Whitwick.
- **Heritage assets** – memorial clock tower and various pieces of street art in Coalville, and Ashby as well as Moira furnace (a scheduled ancient monument).
- **Other assets** – including public toilets, pumping stations, a residential caravan site at Appleby Magna, numerous bus shelters, public seating areas, notice boards, play areas and incidental land on estates.

The portfolio has been assembled through historic acquisitions and transfers from predecessor bodies, to be consolidated with the current District Council.

- 6.9 There are also 7 commercial properties held by the Housing Revenue Account which are managed by the property services team on behalf of the HRA. These are five shop units at Blackfordby Lane, Moira; a post office/shop unit in Worthington, and shop unit on Cropston Drive, Greenhill. Income from these properties is credited to the HRA, and the GF receives a management fee from rental income.
- 6.10 The HRA also holds a considerable number of land assets, which were acquired under Housing Act powers, and are therefore held by the Council under these powers. These holdings can be transferred to the GF if required by a decision of full council. Often these areas are pieces of land on housing estates, or sites adjacent to existing council housing developments, held for potentially phased additional building. If the development of council housing on such sites is not appropriate, transferring the asset to the general fund for alternative uses may represent greater value for money to the Council as a whole. There are also a number of garage and parking sites on council estates across the district, held by the HRA. The HRA asset management strategy 2015-2020 details our approach to the management of these assets.
- 6.11 The GF land and property portfolio contains 276 dedicated asset records, not including incidental land holdings. Ownership of all of these assets has now been recorded with the Land Registry, following a review completed in recent years.
- 6.12 The property service do not have a dedicated ICT system to retain information related to the condition of assets, with spreadsheets forming the key system for recording data. Financial information is held by the Finance team, who undertake invoicing for rent payments and recording of payments. Any defaults are reported to the property services team who then take corrective action. As part of the further raising of professional standards within the service the need for a comprehensive ICT system is to be evaluated. Given the small size of the property portfolio this may not be required, and systems such as EPIMS may provide a cost effective solution.
- 6.13 Over a period of time, our approach to investment in our property assets has been largely reactive and therefore some assets are now in need of modernisation and catch-up repairs.

Further condition survey work is underway to assess the scope and cost of this work as part of a reappraisal of the full portfolio.

- 6.14 Where assets are delivering an income for the Council the rental or fee charged should be consistent with the Council's Fees and Charges Policy. As part of the work being undertaken through the Commercial Strategy, this policy is due to be updated and the outcomes will need to be implemented as part of our asset management strategy.

7 Our Budgetary Provision and Investment Need

- 7.1 Day to day maintenance of assets is funded from dedicated asset specific repairs budgets or the Asset Protection Fund (APF). This fund was formed by consolidating the individual budgeted amounts held against each asset. It is replenished annually by a payment of £65k per annum, with any positive balance at the end of the financial year rolled forward into the subsequent year through the earmarked reserves budgeting process.
- 7.2 Revenue repairs funding is available from the 5% repairs service charge levied on all commercial tenants. This funding for repairs within the Whitwick Business Centre is consolidated and utilised to pay for day to day repairs and other minor improvement works.
- 7.3 The capital programme for property investment has historically been established annually, and funded from prudential borrowing, with a longer term view now required to ensure investments are prudent, and this approach will be adopted from 2020/21 looking over a 5 year planning horizon.
- 7.4 For revenue the level of expenditure required has been assessed on an annual basis, utilising any known condition issues and historic patterns of expenditure. Moving forwards this approach will be refined to look over a longer period of time as with capital.
- 7.5 The introduction of an initial Planned Preventative Maintenance (PPM) programme in 2018/19 established the base principles for a more structured approach to funding our property maintenance activities. The PPM is driven by stock condition information, which is currently being updated to allow the programme to be refined.
- 7.6 The establishment of individual property sinking funds to build up a provision for future capital replacement expenditure is also under evaluation. Whilst this will provide a much clearer association between properties and their true costs, it will also reduce revenue income as a proportion of rental income is top sliced into a holding account against each asset.
- 7.7 The 2019/20 capital programme for property related projects is £13.7m, of which £10.2m refers to the Leisure Centre replacement and refurbishment projects in Coalville and Ashby. Forward projections for capital expenditure needs currently indicate a funding need of £9.8m for 2020/21 and £4.9m in 2021/22, with most of this funding being for leisure center building and modernisation activities. This further illustrates the short term nature of historic funding decisions and planning for the majority of the land and property portfolio.
- 7.8 Savills were commissioned in 2018 to review our core commercial portfolio and their report dated February 2019 concluded that the 12 core properties in the commercial portfolio currently generate a budgeted income of £581,000 for 2019/20 from 124,218 sq ft of floorspace. These properties have a combined market value of £7,373,500, and produce net yields in a range of between 5% and 10% for those let on commercial terms, with a portfolio average of 7.88%. The best performing asset is Mease House in Measham (10%), and the lowest performing is Ashby Town Hall (5%). An overview of the findings of the report are included as Appendix 3.
- 7.9 The report made a number of recommendations regarding the future of each of the 12 properties, and we need to consider them and determine our future approach in each case. This forms a key action for the next stage of our strategic approach to property management.

8 Future Investment

- 8.1 Key decisions are required regarding our existing commercial portfolio following the Savills review. Implementation of the recommendations for disposal will generate a significant capital sum for reinvestment, but will also reduce the portfolios income with an associated negative impact on the approved revenue budget.
- 8.2 Subsequent reinvestment of income derived from sales will mitigate any short-term revenue income reductions, subject to us being able to identify and secure alternative investment opportunities which produce a higher rate of return than we are currently achieving, and meet the aims of the Council's Investment Strategy – Service and Commercial.
- 8.3 Whilst the commercial portfolio generates the most income, there are many other assets which also require review and a recommendation for the future developing. Often disposal will be the outcome of these reviews, but in many cases the market will be weak, or non-existent. In the circumstances, the council will have to continue to own and manage the assets until an alternative arrangement can be identified, even if the decision to dispose has been concluded
- 8.4 Acquiring new investment properties that deliver the required rates or return will require support from external property professionals regarding values and performance assessments, The ambitions of the council regarding anticipated rate of return and geographic location will also need to be established, as limiting the area of investment will inevitably reduce the market for available properties.
- 8.5 As part of developing the approach to investment decisions, the scale of funding available will be critical to understand the type of investments we are in the market for. Through prudential borrowing we can currently access PWLB loans at very competitive rates, making this source of funding attractive to the right property acquisitions, offering strong rental income streams from low risk tenants. It is important to note that early repayment of any loans will incur penalties, which will need to be considered if any disposals are to be considered to release funding for other investments.
- 8.6 Property investments are typically made for a longer term return, as asset disposals can be a costly and time consuming exercise, and is subject to market changes,

9 General Investment Priorities

9.1 Our first priority is to ensure that our properties are safe, by ensuring that they meet all health and safety requirements as defined by law. These include:

- Annual gas and solid fuel servicing when not the tenant responsibility;
- Asbestos identification and if required, removal works;
- Fire risk assessments and fire safety works;
- Electrical testing;
- Water hygiene;
- Lift replacement and maintenance works;
- Door entry replacement and maintenance works.

9.2 In all of these areas we will ensure that for each asset within our portfolio we will:

- comprehensively discharge our duties as a landlord and have a regular monitoring regime in place to ensure compliance
- follow up on the compliance responsibilities of tenants to ensure they are complying fully with their responsibilities. This will be checked through our Estate Management service, with periodic documented landlord checks being undertaken to verify compliance responsibilities are in place, and corrective action being taken in the case of any breaches of responsibility identified.

10 Carbon Emission Reduction

10.1 We are committed to becoming an exemplar for retrofit green technology in commercial buildings. This will involve the installation of new technologies that reduce energy consumption and future proofing any works undertaken to take advantage of emerging technologies.

This may include;

- Solar PV
- Solar Thermal
- Grey water recycling
- Wind turbine power
- Mine water heat transfer
- Insulation
- LED lighting
- Ground source/air source heat pumps
- Vehicle charging points in car parks
- Sustainably sourced materials.

10.2 Our progress will be monitored through review of the energy performance of our buildings.

10.3 The outcomes of this approach will be that:

- Our buildings are better places to visit and work in
- Running costs will be reduced by use of less gas, water and electricity
- Accessing grant funding will ensure we mitigate any additional costs
- Other commercial property owners and building owners will have a living local example of what can be achieved.
- Renewable technology is used where practicable to supply low cost energy
- Improving the energy efficiency is incorporated into our day to day business
- Our buildings are more attractive to tenants because of their low running costs.

10.4 The key energy efficiency investment priorities are shown below:

- Replace gas boilers at their end of life with alternative technologies (heat pump etc.)
- Establish a minimum thermal performance standard for the stock and monitor performance against it.
- Following a thermal efficiency survey of our commercial properties to be retained, commission a retrofit programme to increase insulation to the highest practical standard.
- Evaluate the opportunities for a solar PV programme across the commercial and operational portfolio.

10.5 Taking risk with piloting new technologies will also form part of our approach. To lead in this area we will have to be ready to try emerging technologies and share our learning.

11 Active Asset Management - Acquisitions and Disposal

11.1 Decisions to acquire land and property will be made within the framework of the Acquisitions Policy of the Council, approved by Cabinet in February 2015. Unless there are exceptional circumstances, the Council will only acquire land or property for one or more of the following reasons:

- its contribution towards the provision of the Council's services and/or delivery of corporate aims
- for economic development purposes
- to provide affordable housing
- revenue income generation
- strategic acquisition for regeneration, development or redevelopment purposes
- to improve performance of any investment portfolio.

11.2 Criteria against which any decisions will be made in respect of an acquisition will include, where appropriate:

- price
- condition of property / land
- planning policy
- development constraints
- availability (in terms of timing)
- nature of tenure being offered (freehold or leasehold)
- occupational tenancies/vacant possession
- locational advantages (where a strategic acquisition is under consideration)
- return on investment (where a revenue generating asset is being considered)
- Restrictive covenants/easements etc
- Costs in-use for premises for Operational purposes
- Cost to build, adapt or improve any premises and other costs relevant to the purpose
- Meeting the Council's strategic priorities as outlined in the Local Plan, HRA Business Plan, Asset Management Strategy and/or other Strategies
- Conditions around the spending of any commuted sums (in lieu of a s106 agreement) for acquisitions.

11.3 When a suitable property or site has been identified, a financial/feasibility appraisal will be carried out to establish the financial/budgetary implications of acquiring the asset at the quoted asking price. This will take into account the following matters, where appropriate:

- the capital cost of acquisition and relevant expenditure
- the opportunity cost of acquisition
- any revenue, or potential revenue, generated from the asset, both short and long term
- availability of external funding sources
- internal resourcing required
- development procurement options including joint ventures
- risk assessment
- the cost, in asset management terms, of owning the property or site, including:
 - immediate maintenance/refurbishment requirements
 - demolition costs, if appropriate
 - adaptation requirements
 - ongoing maintenance/life cycle costs
 - national non-domestic rates including empty rates liability
 - insurance
 - Council Tax

- the overall effect of the expenditure on the Council's budgetary position.

11.4 Unless there are exceptional circumstances, the Council will only dispose of land or property to increase capital receipts to support the delivery of the Asset Management Strategy, if the disposal will benefit one or more of the following:

- The overall investment in the Council's existing assets
- Strategic regeneration, development or redevelopment ;
- Investment in new build and/or acquisitions of good quality commercial property;
- Improved provision of Council services and/or delivery of corporate aims;
- Corporate economic development purposes;
- Revenue or capital income generation;
- To improve performance of any investment portfolio.

11.5 Criteria against which any decisions are made in respect of a disposal will include, where appropriate:

- The condition of the property, associated land and other related asset and the costs of refurbishment and/or maintenance required over a five year period to achieve and maintain the required quality standard;
- The supply of such property within the asset portfolio and the current and future demand for such property from existing and potential customers within the local community;
- Any management, Council or associated community issues that impact upon the decision to retain or dispose of the asset;
- Potential for a Community Asset Transfer which would involves transferring the ownership and/or management of land or buildings from the Council to a community organisation, at less than its full market value, in order to further local social, economic and/or environmental objectives;
- Planning policy;
- Development constraints;
- Availability (in terms of timing);
- Locational advantages (where a strategic disposal is under consideration)
- The financial return on disposal (where a revenue generating asset is being considered);
- Restrictive covenants/easements etc;
- Meeting the Council's strategic priorities as outlined in the Local Plan, Asset Management Strategy and/or other Strategies;
- Conditions around the spending of any income generated from disposal.

11.6 Where a number of potentially suitable properties and/or assets exist for disposal, robust comparisons will be made to establish an appropriate means for disposal prioritisation based on the current marketplace and any other associated factors.

11.7 An updated disposals policy will be developed and approved, which reflects the Acquisitions Policy by covering both HRA and GF assets as well as non-operational assets.

12 Data Management and Planning

12.1 Accurate data together with the software and hardware to collate, store, manipulate and analyse it will be the foundation of our asset management decisions. Some investment need is anticipated to support this key requirement in the form of software and hardware developments together with human resources to establish the data sets ready for future use.

12.2 Key data areas that will require refinement as part of this strategies delivery include;

- Holding and updating core asset register information
- Stock condition information including update provision following repairs/cyclical works and improvement expenditure
- Programme profiling and forecasting tools to allow effective financial planning
- Investment appraisal tools to inform strategic retention/disposal decisions
- Provision of information to meet Government return requirements.

13 Facilities Management (FM) Services

13.1 Management of our buildings falls into two categories - hard FM and soft FM.

Hard FM – is the maintenance of the bricks and mortar and associated infrastructure of the buildings in our portfolio.

Soft FM – is the provision of services that support the smooth running of the buildings, such as caretaking, reception and security.

13.2 Responsive repairs are currently outsourced to a local contractor through a contract procured jointly with Charnwood Borough Council. Performance is good and tenants are generally satisfied, but cost control has been an issue. For the future we will be actively seeking to use our in house resources to deliver this service going forwards.

13.3 Cyclical and planned maintenance offers opportunity to consolidate works into shared contracts with HRA property assets. This includes areas such as Legionella Testing, Lift Maintenance, and other compliance responsibilities, as well as areas like painting and window replacement contracts. In addition, support contracts for the provision of scaffold services and drain clearance can also be shared. As existing contracts come to an end these opportunities will be evaluated and built into our plans where appropriate.

13.4 A range of potential commercial opportunities exist through our capacity and skills in these areas. Providing support services to the third sector and other public sector organisations will form phase 1 of our commercial opportunity evaluation in this area, before moving on to our ambition of bidding for and securing work in the commercial sector.

14 Value for Money

14.1 Our Journey to Self Sufficiency Programme requires the property and assets portfolio to contribute to the council's income targets.

14.2 It is imperative that any investment in the land and property portfolio delivers sustainable income streams, and we consider any regeneration and development opportunities as they arise.

14.3 Delivery of efficiencies is essential, but this must consider quality and service delivery to our tenants. We will demonstrate value for money by:

- Reducing inputs (money, people and assets) for the same outputs;
- Reducing prices (procurement, labour costs) for the same outputs;
- Providing greater outputs on improved quality (extra service, productivity) for the same inputs;
- Attaining proportionally more outputs or improved quality in return for an increase in resources.

14.4 We will ensure that:

- Our costs compare favourably to others providing similar services through robust benchmarking with a range of benchmarking groups
- We make use of our In-house Repairs Team (formerly the housing DLO) and parks service for maintenance activities.
- An effective Procurement Strategy is in place and we reduce commissioning and procurement costs.
- The Council's Fees and Charges Policy is applied to income earning assets.

15 Procurement

15.1 Through our procurement activity we also aim to invest significantly in the local economy in respect of employment, skills and training.

Our key procurement objectives are:

- To improve the level of procurement skills, and raise the profile of procurement corporately
- To improve the control of expenditure;
- To mitigate business risk through the use of modern and appropriate procurement methods for supplies, works and services;
- To reduce administrative waste in the procurement process by ensuring continuity of approach and that internal resources are fit for purpose;
- To align procurement with the needs of our customers and our business aims;
- To deliver Value for Money via efficient, effective and transparent procedures.

15.2 Through our procurement activities we will:

- Achieve VFM and efficiency savings, delivering cashable gains through excellent procurement;
- Utilise modern procurement methods and partnerships to achieve demonstrable value for money and deliver outcomes that meet the needs of users and/or the community, including the promotion of social value;
- Disseminate best practice procurement techniques and act as a catalyst for change;
- Acknowledge risk and identify options in order to procure in the most appropriate and cost effective way for the works, goods or services being procured;

- Proactively involve service users and tenants at all stages of the procurement and service design / delivery process, so that they are fully informed and able to effectively influence service standards;
- Ensure that our contractors and consultants are committed to equality and diversity within their own service provision;
- Utilise effective “open-book cost management”, where appropriate, that is linked to service improvement and the generation of savings, which provides suitable incentives for partner contractors whilst maintaining appropriate controls and protections for the Council;
- Promote and extend the use of e-procurement methods (including the use of e-tendering techniques) where practical.

15.3 Our approach will support the delivery of annual efficiency gains, and in particular:

- Business process improvements and collaboration initiatives between public sector organisations, including an increased use of technology;
- Smarter procurement and enhancing competition;
- Better asset management;
- Increasing the productivity of front-line services, the effectiveness of support services and the efficiency of all transactional services.

15.4 There are a number of bodies promoting various forms of combined purchasing activity. We will review arrangements available from organisations like Procurement for Housing (PfH), Efficiency East Midlands (EEM) and the Eastern Shires Purchasing Organisation (ESPO) and will use consortia where it is identified as appropriate.

15.5 As we conclude our review of assets on a rolling basis there will be decisions to implement to invest in or dispose of our holdings. Facilitating the work required offers an opportunity to consider delivery options, which will include the option to insource work for completion by our directly employed workforce. This will include both grounds maintenance and repair/improvement expenditure.

16 Staffing and Resources

- 16.1 Following the decision to retain the property services function as a service delivered in house, the development of a staffing structure was incorporated into the senior management restructure proposals for the Housing and Property Department. This resulted in the creation of an assets and property team to focus on the delivery of property management; capital/revenue planned and cyclical programmes, as well as having dedicated resources to focus on a combined compliance role for both the GF and HRA assets with associated responsibilities.
- 16.2 The resulting structure chart is attached as Appendix 4.

17 Performance Management Framework

17.1. Internal Monitoring

Service performance is monitored internally within the corporate performance management framework and at four levels within the organisation against agreed Performance Indicators and key actions, in addition to the key projects oversight process.

- Housing and Property Portfolio Holder, Cabinet, Corporate Scrutiny Committee, and Elected Members;
- Corporate Leadership Team;
- Housing and Property Senior Management Team;
- Team Manager, Team Leaders and Supervisors.

A key document in this process is the Team Plan, which is updated annually, and contains a range of performance data, including KPIs and Key Actions. Data from this plan is transferred into our Corporate performance management system InPhase, through which monthly and quarterly updates are recorded and progress to deliver targets and actions is monitored.

17.2. External Monitoring

External monitoring is an independent and key part of our performance regime and will be undertaken primarily through:

- Benchmarking with neighboring Councils
- Use of the CIPFA SAN network
- External 3rd party performance review
- Service specific customer satisfaction surveys
- Complaints.

17.3 The Strategy will be supported by a Communications Plan that will be delivered in line with the Corporate Communications Strategy. The Communications Plan will tailor positive communication messages about the Strategy using the most appropriate media – including media releases, website, information leaflets, posters and supporting one to one meetings.

17.4 Key Performance Indicators (KPIs) demonstrating how we will measure the successful delivery of this Strategy are included as Appendix 6 and will be further developed to include those in the table below:

- Commercial property income vs target
- Commercial property occupancy rate
- Rent arrears
- Rent loss due to vacancies
- Time taken to relet units
- % statutory compliance inspections or risk assessments in place
- Completion of actions from risk assessments (prioritised)
- Customer satisfaction with the Council as a landlord
- The percentage of tenants satisfied with their most recent responsive repair;
- The average Energy Efficiency rating of properties;

General Fund and HRA Assets (Excludes HRA Social/Affordable Housing Stock Assets)
4 HOOD COURT, ASHBY DE LA ZOUCH
ACCESS ROAD - 70A TO 74B, SILVER STREET
ALBERT ROAD COALVILLE ACCESS ROAD
ASHBY ROAD DEPOT
ASHBY ROAD OSGATHORPE
ASHBY ROAD SCOUTS HUT
ASHBY ROAD TIP
ASHBY ROAD, MOIRA
ASHBY TOWN HALL
BAKER STREET COALVILLE
BELVOIR SHOPPING CENTRE
Belvoir Shopping Centre - Market hall
BELVOIR SHOPPING CENTRE - Public Conveniences
BLACKFORDBY LANE SHOPS
Bosworth Road Castle Donington - HRA LAND
BRADGATE DRIVE COALVILLE
BUS SHELTERS - 68 - VARIOUS LOCATIONS
Buttercup Drive/Daisy Close - Public Open Space
CAR PARK - THE GREEN, THRINGSTONE
CAR PARK - HIGH STREET, IBSTOCK (CORNER OF GLADSTONE STREET)
CAR PARK - NEEDHAM'S WALK
CAR PARK / BOROUGH ST.
CAR PARK / BROOK ST. ASHBY
CAR PARK / CLAPGUN ST. C/DON.
CAR PARK EXTENSION, COALVILLE
CAR PARK, REAR HIGH ST (Nth Service Rd)
CAR PARK, HIGH ST. IBSTOCK
CAR PARK,CROPSTON DRIVE
CAR PARKING FOR CADEMAN WOOD
CAR PARKS - HIGH STREET MEASHEM
CAR PARKS - JAMES STREET COALVILLE
CAR PARKS - LONDON ROAD COALVILLE
CAR PARKS - MARGARET STREET,COALVILLE
CAR PARKS - MARKET STREET WHITWICK
CAR PARKS - MARLBOROUGH SQUARE - NO OWNERSHIP INFORMATION
CAR PARKS - NORTH STREET ASHBY
CAR PARKS - PEGGS CLOSE MEASHEM
CAR PARKS - SOUTH STREET ASHBY DE LA ZOUCH
CAR PARKS - VICARAGE STREET WHITWICK
CEMETERY - Church Lane, WHITWICK; London Road, COALVILLE; Meadlow Lane, COALVILLE; Station Road, HUGGLESCOTE
CHURCH LANE ACCESS ROAD
CLAREMONT DRIVE PLAY AREA

COALVILLE PARK - COMMUNITY ASSET; Public Conveniences; Depot - new block; STORES & GARAGES
Coalville park green - Tarmac entrance
COALVILLE REC GROUNDS - ASHBY ROAD COALVILLE
COALVILLE REC GROUNDS - HALLAM FIELDS CAS DON
COALVILLE REC GROUNDS - IBSTOCK ROAD ELLISTOWN
COALVILLE REC GROUNDS - LOUGHBOROUGH RD THRINGSTON
COALVILLE REC GROUNDS - RAVENSTONE RD COALVILLE
COALVILLE REC GROUNDS - SHARPLEY AVE COALVILLE
COALVILLE REC GROUNDS - SWALLOWDALE THRINGSTONE
COUNCIL OFFICES, WHITWICK ROAD
CROPSTON DRIVE COALVILLE – LAND; SHOP; CHANGING ROOMS
Cultural Qtr Car Park, Ashby
DELVEN LANE CASTLE DON
DEPOT / WASTE TRANSFER STATION
DERBY ROAD, ASHBY - Public conveniences
DIST REC GRDS/OP SPACES - CRESCENT SITE MOIRA; THORNBOROUGH ROAD, COALVILLE; BOSWORTH RD CASTLE DON
DRIVEWAY OFF BLACKFORDBY LANE
FOOTPATH FROM BRUNEL WAY TO RAILWAY BRIDGE, STEPHENSON WAY
FOREST COURT
GRANGE ROAD IBSTOCK
HASTINGS CLOSE, BREEDON
HERMITAGE LEISURE CENTRE AND RECREATION GROUND; PARKLAND; A/W PITCH; GOLF COURSE; PAVILION
HIGH STREET, IBSTOCK - Public Conveniences
HOMESTEAD ROAD, THRINGSTONE
HOOD PARK, ASHBY
LAND AT CHAPEL STREET MEASHAM
LAND AT MOIRA FURNACE
Land at Nottingham Rd Ashby LE65 1SD
LAND AT PARSONWOOD HILL
LAND STRIP ADJ TO WASTE DEPOT
LAND TO REAR OF BUS SHELTER - RAWDON RD (TOLLGATE), MOIRA
Lillehammer Drive-public open space
MARKET PLACE, KEGWORTH
MARKET STREET INDUSTRIAL UNITS, COALVILLE
MARQUIS COURT INDUSTRIAL UNITS, RAWDON
MEASE HOUSE, MEASHAM
MEASHAM COMMUNITY CENTRE
MEASHAM RD APPLEBY MAGNA – LAND AND CARAVAN SITE
MEASHAM RD OAKTHORPE
MELROSE ROAD RECREATION GROUND - BOWLING PAVILION
MELROSE ROAD RECREATION GROUND - PAVILION
Memorial Clock Tower
Moira Furnace
Moira Furnace Public Conveniences

MOIRA WORKSHOPS, FURNACE LANE
New Market, Marlborough Square, Coalville
NORMANDY WOOD
OPEN SPACE - BETWEEN 88 AND 90 KENMORE CRESECENT, COALVILLE; CORNER OF BROOM LEYS ROAD AND LONDON ROAD, COALVILLE; HALL GARDENS, RAVENSTONE; LAND AT GRACEDIEU, WHITWICK; LAND AT STATION HILL, SWANNINGTON; LAND AT STONE PIT FIELD, MOIRA; LAND OFF MEASHAM ROAD, MOIRA; LAND TO SOUTH OF STEPHENSON WAY, COALVILLE; NW AND SE SIDES OF STAPLES DRIVE; RAVENSTONE HOUSING ESTATE, COALVILLE; REAR OF COALVILLE PARK; ROMANS CRESCENT, COALVILLE; ST FAITHS DRIVE, COALVILLE; STADIUM CLOSE / HARRISON PLACE, COALVILLE
OPEN SPACE AND ROADSIDE KERB AREAS - THRINGSTONE, GLEBE ROAD
OPEN SPACE AT SCOTLANDS DRIVE
OTHER NON HRA LAND
OWEN STREET PAVILION
PARKS / OPEN SPACES
PATHWAY COALVILLE PARK
PLAY AREA - BURGESS ROAD, COALVILLE; FORRESTER CLOSE COLEORTON; ORCHARD CLOSE OSGATHORPE
PLAY AREA/OPEN SPACE AT ADAM MORRIS WAY
PUBLIC NOTICE BOARDS - 21 - VARIOUS LOCATIONS
PUBLIC SEATS - 31 - VARIOUS LOCATIONS
PUMPING STATION - OCCUPATION ROAD, ALBERT VILLAGE
RAMSCLIFF AVE DONISTHORPE
ROADSIDE KERB AREA - COALVILLE, CONVENT DRIVE; END OF OXFORD ST, COALVILLE; WINDSOR CLOSE, COALVILLE;
ROADSIDE PAVEMENT AREA - BURTON RD, ASHBY; CORNER OF BATH ST / MARKET ST, ASHBY
ROSEBANK GARDENS, MEASHAM
SCOTLANDS RECREATION GROUND
Sculpture – Ashby car park
SILVER STREET, WHITWICK
SPEC REC GRDS/OP SPACES - Botts hollow Coalville; Willow Green Coalville; Zion Hill Peggs Green
ST MARYS AVENUE HUGGLESCOTE
STATION ROAD, HUGGLESCOTE - PUBLIC CONVIENIENCES
SWANNINGTON DEPOT
TANYARD HOUSE, MEASHAM
THE COCKED HAT PUBLIC HOUSE SITE
THRINGSTONE ASSET UNDER CONSTRUCTION
Thringstone Miners
TOWN HALL MEWS, ASHBY
UNITS 1-16, THE COURTYARD
WHITWICK BUSINESS CENTRE
WORTHINGTON POST OFFICE

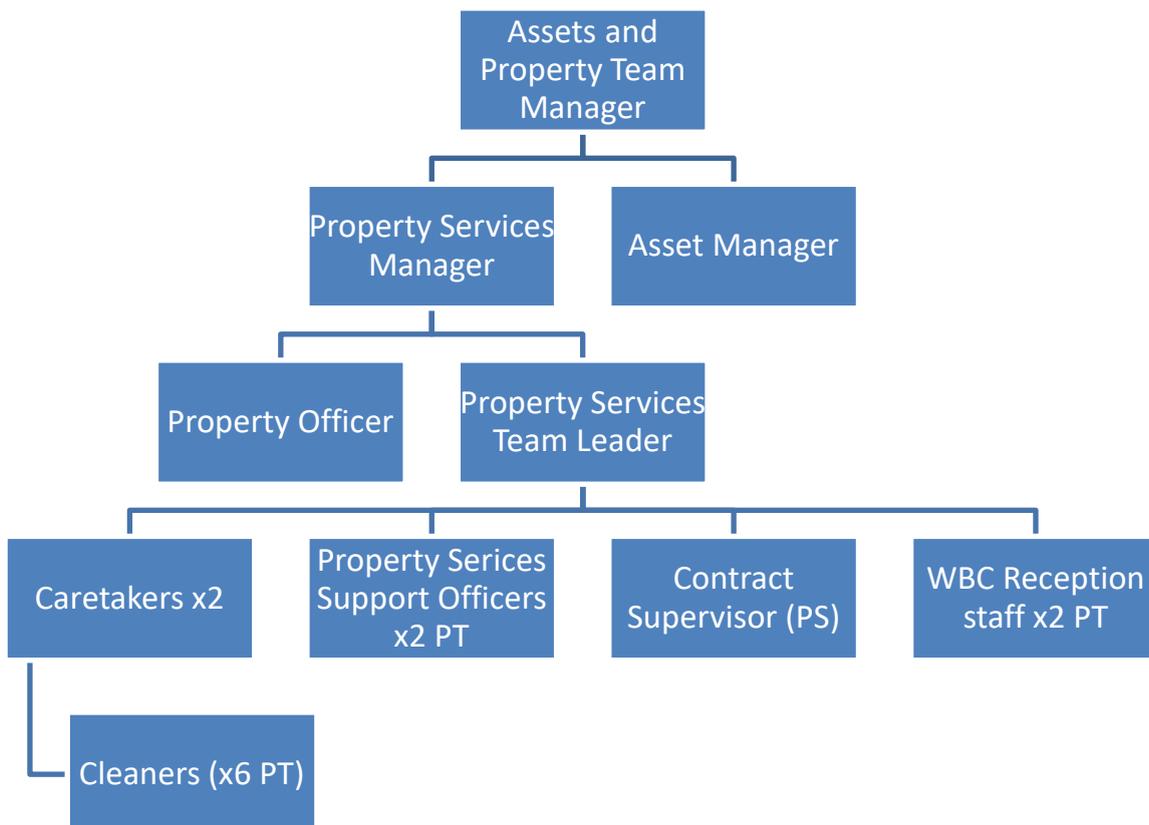
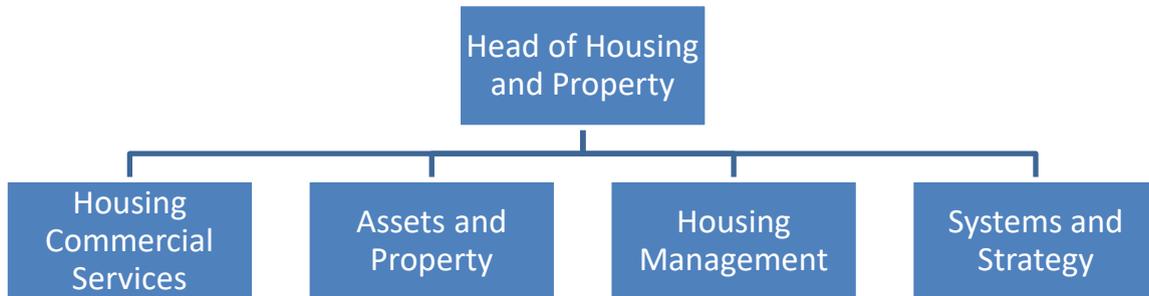
General Fund Capital Programme Budget

DRAFT GENERAL FUND CAPITAL PROGRAMME 2019/20 to 2021/22			
SCHEME	2019/20	2020/21	2021/22
		Indicative	Indicative
	£	£	£
GM Depot Coalville Park - Concreting Grounds	40,000	0	0
Leisure Project - Hood Park Leisure Centre Ashby	1,199,000	0	0
Leisure Project - New Leisure Centre Coalville	8,996,000	9,278,000	4,898,000
Linden Way Depot - Welfare Facilities	96,000	0	0
Moirra Furnace - Masonry & Drainage	210,000	0	0
Moirra Furnace - Upgrades to furnace and Bridge & further remedial works	85,000	0	0
Council Office - Replacement fire alarm & Cotag system	108,000	0	0
Council Offices - Replace obsolete parts to consumer units following M&E survey	75,000	0	0
Council Offices - Replacement LED Lighting throughout (Stenson House & Main Building)	35,000	0	0
Council Offices - Insulate roof space to building	30,000	0	0
Council Offices - Install solar power	0	40,000	0
Council Office - Main Building Lift works	130,000	0	0
Council Offices - Main Building - Upgrade of all walkways, double glazing and insulated panels	250,000	0	0
Council Offices - Main Building - Replacement windows generally	0	250,000	0
Council Offices - (Stenson House) Replacement windows Lightwells and External works	35,450	0	0
Council Offices - (Stenson House) External works to roadway outside registry office	50,000	0	0
Whitwick Business Centre - Replace Lighting with LED	12,000	0	0
Whitwick Business Centre - Installation of Solar Power	0	40,000	0
Marlborough Square	1,646,605	0	0
New Market Provision	600,000	0	0
Salt Bay Cover -	20,000	0	0
Appleby Magna Caravan Site - redevelopment	175,000	175,000	0
TOTAL GENERAL FUND	13,793,055	9,783,000	4,898,000

Savills Review of Commercial Portfolio – Market Value, including Yield Analysis

Address	Valuation	Yield (NIY)	Value per sq ft
Whitwick Business Centre, Stenson Road, Coalville, Leicestershire, LE67 4JP	£1,803,000	8.50%	£113.56
The Courtyard, Stenson Road, Coalville, Leicestershire, LE67 4JP	£2,176,000	8.25%	£73.10
Market Street, Coalville, Leicestershire, LE67 3DX	£567,000	8.25%	£82.17
Unit 1 & 2, Forest Court, Linden Way, Coalville, LE67 3JY	£292,000	8.00%	£73.00
Stenson House, London Road, Coalville, LE67 3FN	N/A	N/A	N/A
Ashby Town Hall, 74 Market Street, Ashby De La Zouch, Leicestershire, LE65 1AN	£173,000	5.00%	N/A
Town Hall Mews, South Street, Ashby De La Zouch, Leicestershire, LE65 1BQ	£178,000	8.00%	£124.91
Tanyard House, 37 High Street, Meacham Swadlincote, DE12 7HR	£217,000	9.00%	£73.88
Marquis Court, Marquis Drive, Moira, Swadlincote, DE12 6EJ	£1,240,000	7.50%	£49.23
Mease House, 78 High Street, Measham, Swadlincote, DE12 7HZ	£188,000	10.00%	£64.01
Moira Workshops, Furnace Lane, Moira, Swadlincote, DE12 6AT	£302,000	9.00%	£56.80
17 Ashby Road, Moira, Swadlincote, DE12 6DJ (Moira Replan)	£237,500	N/A	£74.75

STRUCTRE CHART – ASSETS AND PROPERTY



ACTION PLAN

General Fund Asset Management Strategy 2019 – 2024 - ACTION PLAN

Area	Action	Responsible Officer	Deadline	Success criteria	Comments
Commercial Property	Detailed reassessment of the condition of the current portfolio , with costed improvement plans	Assets and Property Team Manager	November 2019	Comprehensive costed database of asset condition and repair/improvement needs created	
Commercial Property	A reassessment of future expenditure (capital and revenue) required to maintain and improve the condition of the portfolio to be retained, building on the review of our core commercial portfolio carried out by Savills in early 2019	Assets and Property Team Manager	January 2020	Amended base budgets for 2020/21 and introduction of sinking funds.	Subsequent action to review of condition data.
Compliance	Further enhancement of the approach to compliance , ensuring that management arrangements are strengthened through improved management information and associated action planning to address issues identified in a structured and comprehensive manner	Property Services Manager	December 2019	Information already being collected is presented in a management report format, with required actions clearly identified.	
Active asset management	A disposals programme for surplus and poorly financially performing assets	Assets and Property Team Manager	December 2019 – Commercial portfolio March 2020 – remaining portfolio	We retain the assets we need, and are clear why we are holding them.	

Active asset management	Develop a programme of acquisition of assets to meet operational needs, and for investment purposes, with a view to increasing our commercial rental income to £1m per annum by 2024	Assets and Property Team Manager	January 2020	Scope of programme to be defined prior to setting targets.	Initial disposals may lead to a reduction in income from disposal of assets that are not performing.
Office accommodation	Reassessment of the accommodation needs for the organisation over the short and longer term to ensure our offices are future proofed against new the working environment required as we deliver the People Plan	Property Services Manager	July 2020	Modern, fit for purpose working environment provided for staff.	
Active asset management	Introduction of net present value assessments when modelling financial performance of assets, using the Council's investment appraisal tool, to determine the current value of future income streams from investment properties	Finance Manager/Housing Assets and Property Team Manager	October 2019	Property related decisions with financial consequences are informed by an understanding of forecast outcomes.	
Corporate Landlord	Relaunch of the Corporate Landlord Model approach to consolidating the management of our property portfolio within the Corporate Property Services team with associated restructuring of budget structures	Housing Assets and Property Team Manager	April 2020	CLM fully implemented and relevant budgets consolidated within property services.	
Capital programme	Deliver Moira Furnace improvement works to the structure and fabric of this scheduled ancient monument	Property Services Manager	March 2020 - Programme developed and agreed at AMG Subsequent delivery to be planned once	Develop a costed and prioritised programme of improvement works, based on the recently completed (2018) condition survey, and	

			programme established.	associated indicative works programme	
Office accommodation	Coalville office accommodation improvement project, including works to civic area and meeting rooms as well as office accommodation	Head of Customer Services/Head of Housing and Property	Ongoing	Our office accommodation is appropriate, modern and fit for purpose.	Timetable to be established once current feasibility work completed.
Active asset management	Commercial portfolio review implementation including rent reviews, improvement programme and disposals	Assets and Property Team Manager	April 2020	Linked to previous targets.	Rent reviews may be restricted by lease terms.
Carbon reduction	Embracing the carbon reduction agenda and ensuring all our buildings are as efficient as they can cost effectively be made, and developing and implementing a specific Action Plan to deliver this change	Assets and Property Team Manager	To be determined by Head of Community Services	Our building fully pay their part in achieving our carbon reduction targets	Part of the Councils wider response to this agenda
Regeneration	Supporting regeneration activities through the delivery of the land and property actions across the district, particularly relating to activities in Coalville, including the new Leisure Centre	Assets and Property Team Manager	TBC - based on opportunities	Property services support land and property related work to facilitate the regeneration of Coalville	
Active asset management	Increasing the performance of existing assets by reducing vacancy periods and reletting empty units more promptly, as well as ensuring that rent payments are made promptly and action is taken if there is default. Also, developing and introducing sinking funds and ensuring rent levels reflect market levels	Assets and Property Team Manager	December 2019 – evaluate opportunities March 2019 – implement outcome of evaluation	Increase in income and reduction in arrears from commercial units.	Asset sweating

PERFORMANCE INDICATORS – FROM HOUSING ASSETS AND PROPERTY TEAM PLAN 2019/20

Action Ref No	NI Ref/ Local Ref	Responsible Officer (Job Title)	Outcome Measure Description	Estimated Year End 2019/18	Target 2018/19	Quarterly Targets for 2018/19 (leave blank for annual indicators)				How will this be measured?
						Quarter 1	Quarter 2	Quarter 3	Quarter 4	
7.10 BAU	PS1	Property Services Manager	Percentage of commercial units occupied per annum	88%	90%	88%	88%	89%	90%	Data Calculation
7.11 BAU	PS2	Property Services Manager	Percentage of rent collected from commercial tenants	97%	98%	97%	97%	98%	98%	Data provided by Finance
7.12 BAU	PS3	Property Services Manager	Improvement in Council Office building Display Energy Certificate (DEC) performance	101	Range 101-125				110	Updated DEC
7.13 BAU	PS4	Property Services Manager	Condition Survey plan for non HRA property prepared and implemented	N/A	200 surveys	0	100	100	0	Documentary Evidence
7.14 BAU	PS5	Property Services Manager	Capital Projects completed on time and within budget	New indicator	95%				95%	Project Review
7.15 BAU	PS6	Property Services Manager	Stakeholder Satisfaction with projects completed	New indicator	20%	0%	0%	0%	95%	Measure against KPI