



# Council Estate, Use and Occupancy of Council Buildings and Asset Disposal

## **Property Service**

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## Introduction

The council's property portfolio, inclusive of freehold, leasehold and management interests, has an approximate value of £2.2 billion on the asset register. The total running cost of the operational portfolio was approximately £25 million (2023-24) with maintenance carried out on a risk-based prioritisation basis. This excludes school premises where the running costs are managed through individual school budgets and maintained through a combination of Condition Grant from the Department for Education managed by the council and devolved capital funding to schools.

Within the property assets portfolio there is a vast range of different types of building and land holdings. Several premises are well-designed, and purpose built or have been subject to recent investment to ensure they are fit for purpose. Some premises may reflect the historic service delivery models of the time when they were acquired or last benefitted from significant investment whilst others are constrained by their site and location with limited opportunity for re-development.

By nature of some of the characteristics of such premises it may not always be possible to dispose or re-purpose them for example, heritage assets and those with restrictive covenants, and so the council must find the best use for those assets within such constraints or an alternate model for their future management.

## What data do we collect and how is it used?

### Property Asset Management System

The property asset register sits within PAMS (Property Asset management System) and is maintained by the Property Review and Performance Team. This system holds information on all of LCC's land and property assets. Information held within the asset register is used by a number of different teams across the authority including Property Review, Building Group, Estates, Facilities Management (FM) and Capital Team.

The following information is held as part of the core property record in PAMS:

- Name and address of the property
- Tenure
- District
- Site and building areas
- Date built
- Site type
- Site specific information eg Listed status, CCTV etc
- Floor plans

PAMS also holds additional building information including:

- Condition surveys
- Inspection reports
- Asbestos reports
- Leases and licenses

Other information sources used to inform portfolio management include:

- Running costs budget - monitored by FM
- Energy usage - monitored by the Energy Team
- Occupancy information – collected by FM and Property Business Partners

## Condition

Premises condition is based on a visual (non-intrusive) survey to identify building fabric and mechanical & electrical condition related works. Condition surveys record the status of the building at the time of the survey and this does not include suitability, structural surveys or building aesthetics. Condition surveys are undertaken typically on a five-year cycle, therefore older surveys could be approximately five years old.

Newer surveys focus on urgent and essential items to keep premises safe, warm, and dry. Condition is assessed in accordance with government guidance with four priority categories (P1,2,3 & 4) with P1 being works assessed as health and safety concerns, risk of building closure, breaches in legislation or other reputational risk. Due to the extent of high priority items only Priority 1 works are considered for the Building Condition Led Programme.

The operational buildings in the corporate asset register cover those used for office-based activity, service delivery bases, and residential homes for adults and children. Each year approximately one fifth of our buildings are surveyed for a condition assessment.

At its meeting on 16<sup>th</sup> January 2025 Cabinet Agreed to the Condition Led Capital Investment Programme for schools 2025/26 which will see approximately £14 million provided for essential work subject to DfE (Department for Education) funding confirmation in April. The Condition Led Capital Investment Programme for Operational Buildings is due to go to Cabinet later this year.

## Running Costs

The primary purpose of the budget is to cover all operational overheads for buildings, including energy, utilities, rates and rents, cleaning and the day-to-day/reactive repair & maintenance (R&M) of the corporate portfolio. The premise of the R&M spend is currently to ensure that as a minimum, statutory health and safety requirements are delivered.

## Carbon output

The carbon dashboard shows the carbon emissions of properties on a corporate energy contract. This is calculated on a per metre square basis and helps to identify poor performing buildings as part of a 'worst first' approach.

## Occupancy/Use of Buildings

Occupancy is understood in different ways dependent on the use of the premises. For corporate buildings, which are primarily used as office bases, a data dashboard brings together several sources of information that help us to understand the extent to which premises are being used and for what purpose. This includes data on usage levels of room bookings for meetings, team focus, and collaboration workspaces, where the Condeco booking system is in use, and data on access to premises utilising the corporate access control system and wi-fi connectivity across each site. The data contributes to intelligence-led decision-making taking account of utilisation levels of properties by service area and informs where opportunities to optimise accommodation may exist.

Use of other front-facing premises can be more appropriately measured by service user data e.g., use of library premises can be understood by footfall, PNET (public PCs) logins, and attendance at events. Residential and Day Services are measured through bed occupancy and day services by the number of service users and bookings.

Furthermore, Property Review Team works on a Business Partner Model where Property Asset Business Partners work closely with services to align property asserts with the organisation's strategic goals. Business Partners work closely with services to understand their delivery requirements and utilisation of buildings.

The revised [Premises Use Policy](#) was agreed by Cabinet in September 2023. The policy supports the use of the county council's premises by setting out the criteria to be considered when deciding whether to facilitate use by third party/external organisations. This aims to ensure consistency of approach and use that supports a sustainable portfolio. Online booking is being introduced to capture premises use by third parties, which along with other data sets on building usage, will provide greater insight on utilisation across the portfolio.

Commercialisation of buildings is an area that could be explored to bring an income into the authority. Some elements of commercialisation are already taking place, for example the lease of office space within County Hall. However, further opportunities will be considered across the portfolio.

## Strategic Property processes and decision making



## Property Review Process

The property portfolio is continuously reviewed as part of our business-as-usual processes, predominantly through the Business Partner model which involves Property Officers engaging with services on a regular basis.

The Business Partner model is set up so that each of our Property Service Review team officers is closely linked to several county council services, working closely with each of their services' senior management team to understand service direction and requirements to plan future premises requirements, and to encourage services to consider different and more efficient ways of utilising our own premises and exploring partnering opportunities.

Working closely with services means the team can contribute to decision making, and inform on property implications of service changes, and consider and plan the property portfolio ahead of changes in service delivery, rather than reactively following service decisions. Through this joined up, corporate approach, the Business Partners also consider their services' requirements and ambitions alongside those of their team colleagues, enabling fully corporate strategic property planning across directorates and services.

Our asset challenge process enables us to review each asset in a timely manner based on strategic direction, (rather than on a rolling programme) to ensure we only keep the buildings we will need. Through the asset challenge process, we can identify any premises that are surplus to operational requirements, premises where investment could improve utilisation or premises that can be repurposed. We strive to provide a fit for purpose, flexible property portfolio, maximising use and minimising costs and carbon emissions.

Property reviews can be initiated for several reasons. This may be a full, strategic review of the asset register or a review of a particular asset group linked to a service strategy. A review may be driven by changes in working practice or where the cost of maintenance potentially outweighs the benefits of retaining a property. The property review process will identify options for reconfiguration or rationalisation i.e., those that are proposed to be vacated and, if necessary, nominate alternative premises, including partnering opportunities, for the staff and services to relocate into.

## Decision Making

Where works are required to facilitate the outcome of a review, a business case is presented to Capital Sub-Group for consideration and where appropriate a report is brought to Cabinet for decision making.

Where there is a requirement to consult on the reconfiguration of a service, the decision making also takes place through the cabinet process. The scheme of delegation also allows for some decisions to be taken by the Head of Property and the Head of Estates.

The Property Service will ascertain whether there is any on-going county council requirement for a property. If no alternative use is identified a report will be submitted to the Head of Estates and Head of Property recommending that the property be declared surplus to the operational requirements of the county council.

Where agreed, management of the surplus property is then passed to the Estates service as interim custodians until the asset is disposed of.

## Disposals

### Disposal process

When land or buildings are no longer required for the day-to-day provision of a service or strategy and become surplus to requirements, the following options need to be considered:

- (a) a relevant use by the community as a result of a formal approach for a community asset transfer in compliance with the community assets policy,
- (b) circulation to public sector partners for potential interest to be considered for disposal on a 1-1 basis at market value,
- (c) a disposal on the open market.

Each sale is to be considered on its own set of property circumstances regarding the particular method of sale and timing of disposal. The council is to comply with the statutory provisions contained in s123 of the Local Government Act 1972 to obtain the best consideration that can be reasonably obtained for the disposal of land along with other statutory considerations. Methods of sale include by tender, auction, 1-1 agreement with partners and variations within those methods. There is close work with legal, planning, highways and other colleagues depending on the nature of the asset.

Where surplus property is made available on the open market or community transfer (in compliance with the policy), this is advertised on the council's website: [Land and property sales - Lancashire County Council](#)

### Community Assets

Property assets are held for the delivery of Lancashire County Council's service priorities and for the benefit of the community. Equally, disposal of surplus property for capital receipts enables the council to direct and invest resource into local services and infrastructure. The Community Asset Policy seeks to balance those demands and is aligned both to our statutory requirements and our local approach. As the council addresses its strategic priorities, work is underway to reconfigure our property portfolio with the aim of retaining a more focused and sustainable set of buildings, premises, and land. It is recognised that as some assets are no longer needed for the delivery of council services the community may be well placed to take on their management where certain conditions can be met. An active approach to community use, management

and ownership of vacant accommodation or surplus assets can support the corporate ambitions and objectives in the Council Plan.

The [Community Assets Policy](#) was revised in January 2023. Where surplus premises are identified as suitable for asset transfer, they will also be advertised on the councils website.

## Strategy development

Work is ongoing to produce a Property Strategy for the county council covering the period 2025-2030. CIPFA advice and guidelines are being followed, alongside exemplar strategies. Current strategies from public sector partners have been researched and good practice noted.

The Property Strategy and associated delivery plan will provide an overview of our land and property estate, together with our main priorities for managing and developing those assets over the next five years. In aligning with the Council Plan objectives, the strategy will include its own objectives and ambitions that demonstrate the council's commitment to Strategic Asset Management and to achieving the benefits that can be delivered through effective and efficient use of the portfolio.

The strategy is being drafted with the intention of being reviewed annually and amended within five years to ensure our estate fully supports the four key priority areas of the Council Plan. This will help us continue to build a better Lancashire where everyone can live their best life through stronger communities, a growing economy, and high-quality public services.

The strategy will explain how we will review, manage, and make decisions about our portfolio to ensure that it meets the requirements of our service delivery to the people of Lancashire and will include our governance for the same.

Work is currently progressing to bring together information from colleagues across the county council to describe how we will manage property, our asset review process, our decision making, and how we will prioritise spending on our property portfolio to address such issues as condition, health and safety and suitability.

These colleagues include experts from the following services:

- Property Service
- Estates Service
- Facilities Management Service
- Finance (Capital and Revenue)
- Legal Services

In addition, work is progressing to gather information from Directors, Heads of Service and other senior manager colleagues in our public facing services, as well as our corporate services, to understand service plans, ambitions, and directions, to be able to draft a strategy that can be implemented into a proactive plan for a portfolio, where



possible ahead of, or alongside service changes. This is to ensure that our property continues to support our service delivery to the people of Lancashire in the most efficient and effective way possible.

The strategy is in the initial stages of being drafted and will firstly be considered by officers through the governance structure for property.

The Property Strategy will follow adoption of the strategy and will provide clear actions and timescales for delivery.