

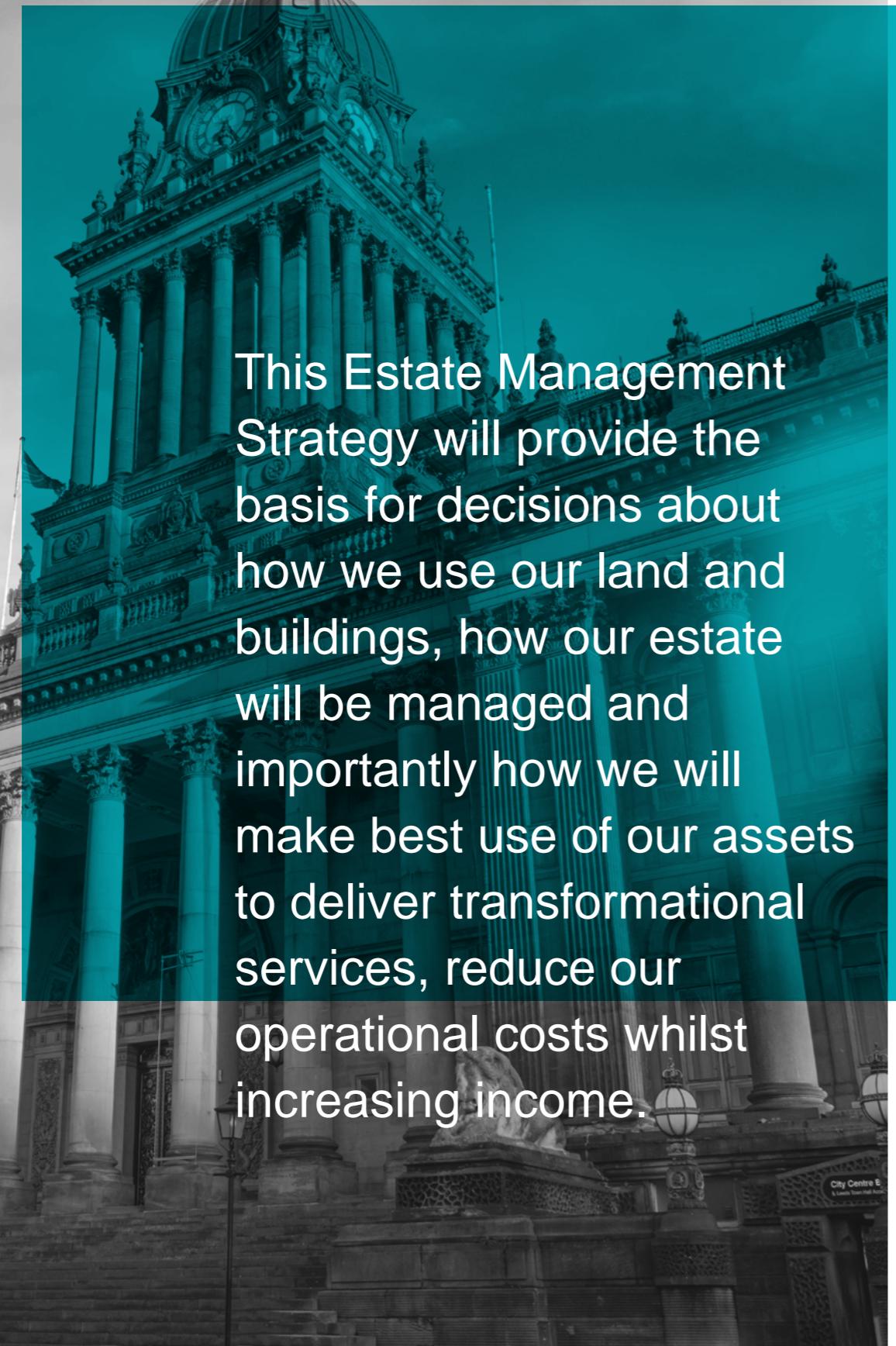
LEEDS CITY COUNCIL

ESTATE MANAGEMENT STRATEGY

2021-2025



Forward



This Estate Management Strategy will provide the basis for decisions about how we use our land and buildings, how our estate will be managed and importantly how we will make best use of our assets to deliver transformational services, reduce our operational costs whilst increasing income.

As we emerge from the COVID-19 Pandemic, it is important that we put the right framework in place to support the continued delivery of services to the most vulnerable, support the growth and transformation of our neighbourhoods and the city centre, and ensure that the Council is in a strong position to support the City and its people.

The pandemic has resulted in changes to our daily lives, many of which will be with us for a long time and some will become permanent. For the Council, the pandemic has changed the way that some services are delivered and the way that politicians and staff work. This will change the way we use our buildings and will allow us to reduce the size of our estate to help to meet the financial challenges we continue to face as a result of not only the pandemic but year on year reductions in the level of funding received from Central Government.

The ability to deliver good quality front line services will continue to be underpinned by our buildings, which need to be suitable for the expected provision/ fit for purpose, in the right locations and in good condition. Whilst we will shrink our estate, we will focus on our best buildings, both in

terms of their condition and sustainability, ensuring that customers and visitors have the best possible experience when accessing services, seeking advice or visiting attractions.

The Council declared a Climate Emergency in 2019 which will require us all to make changes. The Council is already embarking on significant programme of investment into its retained buildings to reduce their carbon footprint including the replacement of gas and oil heating systems with heat pumps, improving the thermal efficiency of buildings, and where appropriate connecting buildings to the District Heat Network which takes its heat from the Recycling and Energy Recovery Facility in Cross Green. However, we also need to use our land to support tree planting and other technology and infrastructure which helps to reduce the city's carbon footprint.

Our operational estate as well as surplus buildings can support regeneration and growth, particularly in our town and district centres and within our communities. Making land available for new housing is particularly important to support our own Council Housing Growth Programme and affordable housing delivered by Housing Associations as well as market housing. Meanwhile

generating increased footfall in our localities through improved utilisation of the Council's building can help to support the vitality and vibrancy of local centres and the businesses within them.

This Estate Management Strategy will provide the basis for decisions about how we use our land and buildings, how our estate will be managed and importantly how we will make best use of our assets to deliver transformational services, reduce our operational costs whilst increasing income, and in a way which helps people, the city and its businesses to thrive.

**Councillor Debra Coupar
Executive Member for Resources**

EXECUTIVE SUMMARY

Leeds City Council is the largest property owner in the city and owns and operates a large estate of building and land assets. Our estate has been inherited, built and acquired over many years and is made up of over c800 individual operational buildings excluding schools and housing, 1,000 investment assets which include properties occupied by third parties delivering an income to the Council and c9,000 hectares of land. Our operational buildings equate to around 60% of the Council's carbon footprint and consist of children's centres, day centres, care homes, leisure centres, museums, libraries, community hubs, office accommodation and depot facilities. Our investment portfolio is made up of prime investment assets such as office buildings; Leeds Arena; Industrial properties; leased out Community Assets; Agricultural Land; assets to support Economic Development; buildings which are occupied in part or in whole by third parties; and miscellaneous buildings and structures such as electricity sub stations.

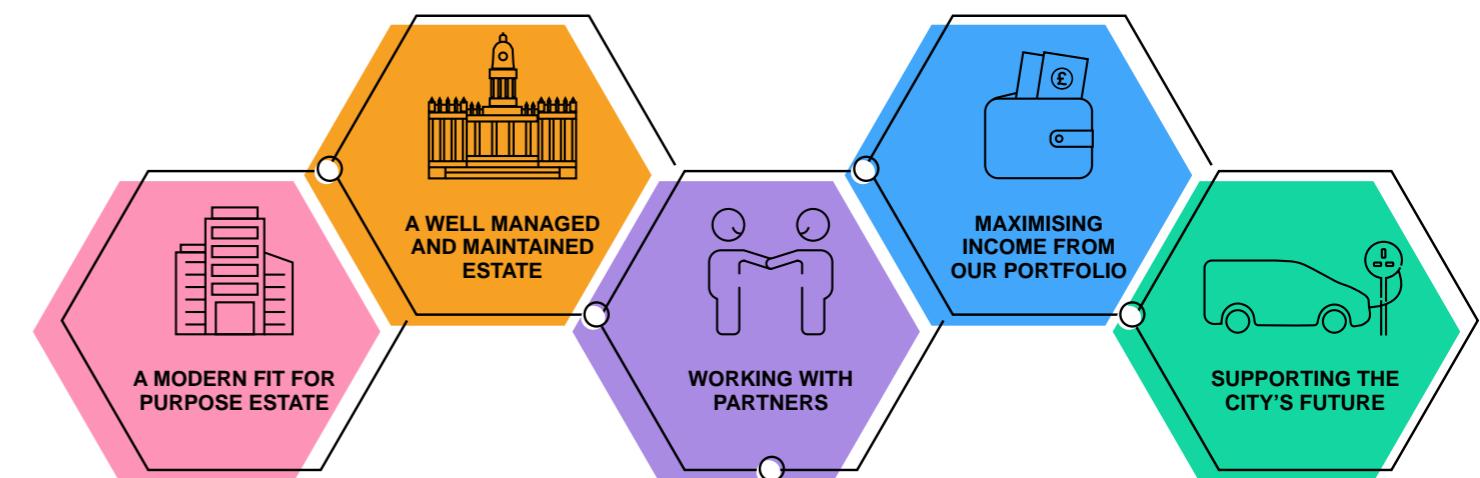
The Council last prepared an Asset Management Strategy in 2014. This set out key principles around the how the Council would manage its assets to achieve its strategic outcomes, work with partners across all sectors to make best use of land and buildings, and ensure the estate is efficiently used and where appropriate rationalised. Whilst much of this document

remains relevant, the COVID-19 pandemic has accelerated a number of trends including changes to the way we work, the way services are delivered and therefore the way we use our estate. Whilst the initial periods of lockdown enforced home working for 8,000 desk based staff, through staff surveys conducted in 2020/21, the appetite from many staff to continue to predominantly work from home has become clear, but this must be balanced with service delivery requirements, the recognised benefits of face to face interaction, and the learning and development that coming together with teams and colleagues brings.

The pandemic has also increased the financial pressures that the Council is facing and therefore a new Estate Management Strategy has been prepared for the period from 2021 to 2025, setting out the way in which the Council will strategically plan and manage its land and property assets to ensure that it fulfils all of its priorities and to enable the people, the city and its businesses to thrive. This strategy sets out a number of guiding principles which will inform future estate planning and decision making. An implementation plan which will be a live document setting out the changes to our estate will be maintained by Asset Management and will inform planned maintenance and day to day management of our estate.



The strategy is underpinned by 3 pillars: Inclusive Growth Strategy; Climate Emergency Declaration; and Health and Wellbeing Strategy, with 5 guiding principles identified to inform future planning and management of the estate:



Our estate must respond to and meet service requirements including the delivery of statutory and front line services as well as back office functions, team working and work with partners. The shape, format and use of the estate will therefore be informed by user needs, will be guided by service reviews and must sit hand in hand with organisational design changes. This will allow us to rightsize the Council's estate, focusing on our most efficient, flexible and best quality buildings will reduce the Council's operational cost, whilst allowing opportunities for capital receipts and support our target of Carbon net zero. We have defined an ambitious working target of a 50% reduction of our core office estate. In addition we anticipate that service reviews will identify additional opportunities as we seek to ensure that all of our buildings are appropriately utilised, supporting both the user and customer experience.

Implementation of the Strategy will be led by the Asset Management and Regeneration Service in City Development for strategic planning and delivery of new investment, and Facilities Management within Resources, providing hard and soft facilities management services. Corporate Estate Management Board will oversee the estate with decisions made in line with existing delegations and via Executive Board.

Overall, given the size and geographic spread of our estate we have an opportunity to transform it to support radically different service delivery models, culture and ways of working. The more flexibility that we can create within our estate, the more opportunity for our buildings to not only support and facilitate the Council's activities but also open up the scope to rent out spaces and support greater collaboration with partners, community groups and other organisations.

CONTEXT

The Council last adopted an Asset Management Strategy in 2014, which guided the continued reduction of the Council's estate to deliver operational cost savings through the Changing The Workplace programme, with a primary focus on the delivery of higher quality office accommodation, releasing some of our more tired and less flexible buildings.

Key Achievements so far



Reduced city centre office estate from 13 to 4 buildings



Reduced our property running costs by £5m between 2013 and 2017



Opened a refurbished Merrion House.



Newly opened or refurbished 15 Community hubs



Reduced our leased space by 11,940 m²



Secured funding for Leeds Town Hall repairs and refurbishment



Increased rental income from the investment portfolio with the use of the Strategic Investment Fund

Since 2010, the Council has faced substantial reductions in its base budget and through a process of asset rationalisation has sought to reduce building related costs, focusing on reducing the overall number of buildings and floorspace within the estate and particularly seeking to reduce the number of leased in buildings. The Council continues to face severe financial pressures and the COVID-19 pandemic has also resulted in substantial changes to service delivery and therefore the requirements of our future estate. As such, there is a need to quickly further reduce the Council's operational estate, as well as reducing the costs associated with our retained properties, doing so in a way which continues to support our staff, the delivery of transformative service provision and to provide vital frontline and back office services.

As the economy recovers from the impact of the pandemic, the need to support and sustain the regeneration and growth of our town and district centres as well as the city

centre is ever more important. The way we use our whole estate can make an important difference, with our investment portfolio able to play a vital role in this area as well as our ability to make targeted acquisitions to support future regeneration schemes which can bring a wide range of benefits to local people including improved job opportunities as well as physical improvements to the urban landscape,

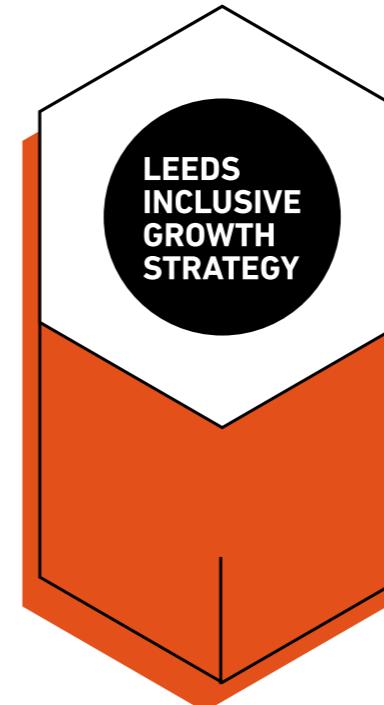
Now is therefore the right time to bring forward a new Estate Management Strategy, setting out some high level principles which will shape our estate into the future and ensure the benefits of any changes we make are maximised and sustained.



WHAT IS THE ESTATE MANAGEMENT STRATEGY?

This document sets out the overarching principles which will guide the future planning, use and management of our general property portfolio to meet the City and the Council's aspirations in the coming years. This focuses on our operational and investment properties, although the Council has an extended property portfolio including schools and social housing, both of which are addressed through their own strategies given their separate management and governance arrangements.

The Best Council Plan sets out the Council's ambition for Leeds to be the best city in the UK: compassionate and caring with a strong economy; which tackles poverty and reduces inequalities; working towards being a net zero carbon city by 2030. From 2022 this is set to become the City Ambition bringing together shared and interlinked priorities shared by the Council and its partners, and how we will work in partnership to support strong delivery. The three pillars will continue to be:



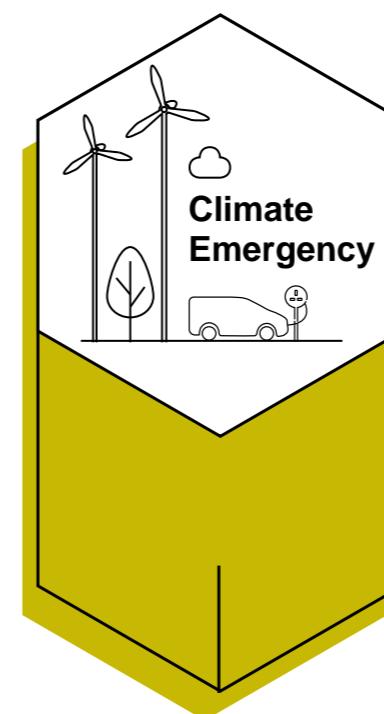
The Leeds Inclusive Growth Strategy

sets out how Leeds City Council, the private sector, universities, colleges and schools, the third sector and social enterprises in the city will work together to grow the Leeds economy ensuring that everyone in the city contributes to, and benefits from, growth to their full potential. It also sets out how the city will promote a positive, outward looking image on the global stage seeking to increase



The Leeds Health and Wellbeing Strategy

Sets out how the Council and its partners can create the best conditions for people to live fulfilling lives, creating a healthy city with high quality services



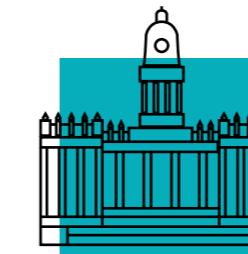
Climate Emergency

In 2019, Leeds declared a climate emergency and set a target for the city to be a net zero carbon city by 2030. Our strategy requires the Council to reduce its own carbon footprint with a target to reduce the carbon footprint of our estate by 50%, whilst also supporting the development of sustainable infrastructure and encouraging sustainable modes of travel.

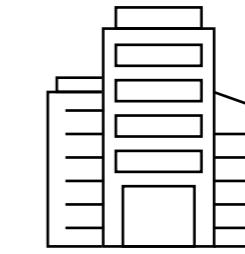
OUR PROPERTY PORTFOLIO

The Council's property portfolio is naturally wide ranging given the diverse range of services provided. Equally our buildings date from the 10th Century Kirkstall Abbey through to more modern buildings which are primarily used for office accommodation and

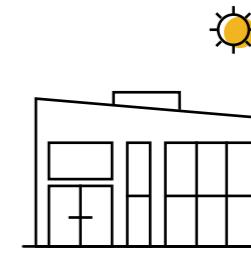
service delivery. In addition the Council has a range of other buildings providing visitor destinations, access to a wider range of services, parks and greenspace, investment properties and depot facilities. The key metrics are summarised below:



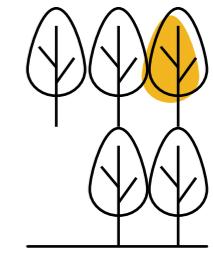
**803 OPERATIONAL
AND DISUSED
BUILDINGS**
(EXCLUDING THE ACTIVE
SCHOOL AND HOUSING
ESTATES)



**5 PRIME
INVESTMENT
PROPERTIES**



**CIRCA 500
COMMERCIAL
PROPERTIES**



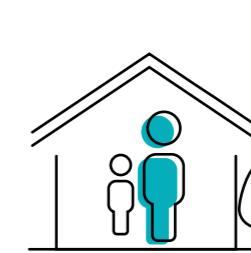
**CIRCA 9,000
HECTARES
OF LAND**



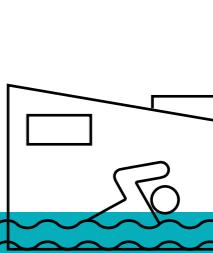
9 MUSEUMS



34 LIBRARIES



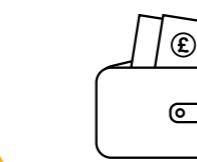
**22 COMMUNITY
HUBS**



**16 LEISURE
CENTRES**



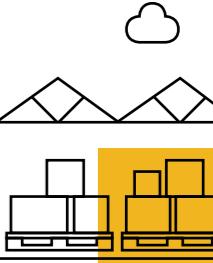
**£59.9 MILLION
TOTAL BACKLOG
MAINTENANCE**
(EXCLUDING THE ACTIVE
SCHOOL AND HOUSING
ESTATES)



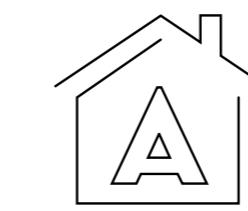
**£12.5 MILLION
ANNUAL
AVERAGE
OF CAPITAL
RECEIPTS**



**£4.2 MILLION
MAINTENANCE
BUDGET**
(EXCLUDING SCHOOL AND
HOUSING ESTATE)



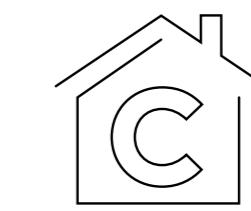
28 DEPOTS



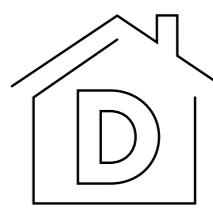
**3%
CONDITION A**



**84%
CONDITION B**

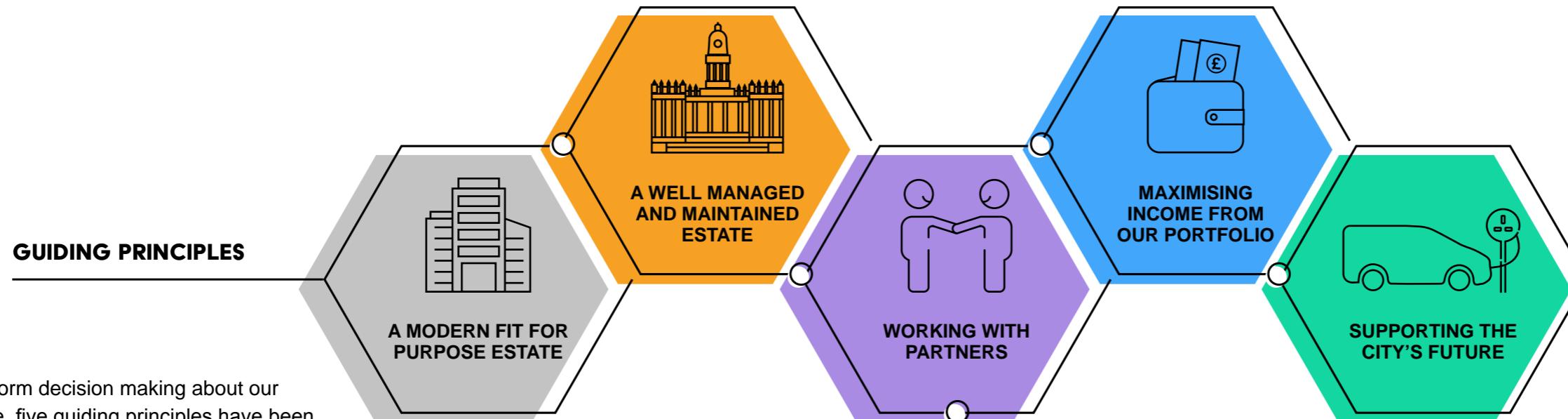


**12%
CONDITION C**



**1%
CONDITION D**

OUR ESTATE – GUIDING PRINCIPLES



To inform decision making about our estate, five guiding principles have been established:

A modern fit for purpose estate

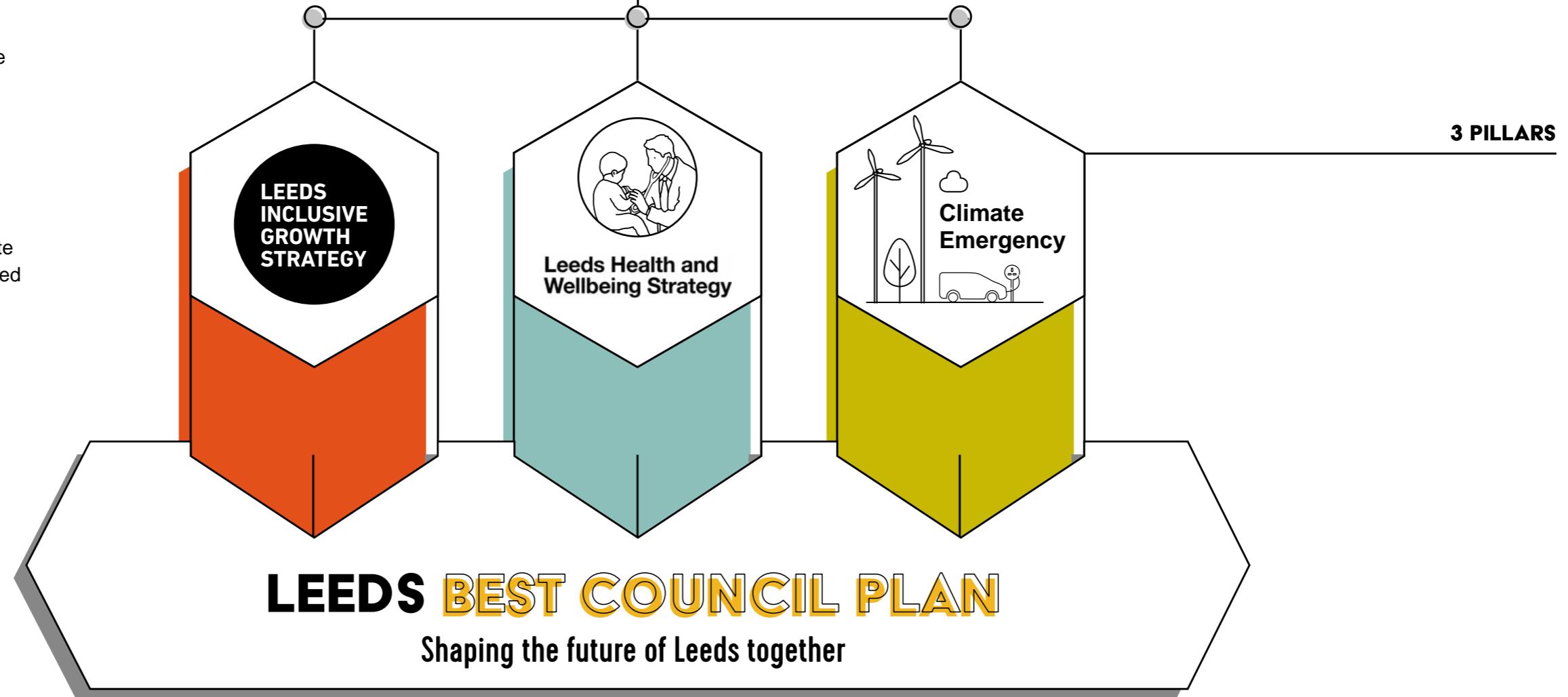
A well managed and maintained estate

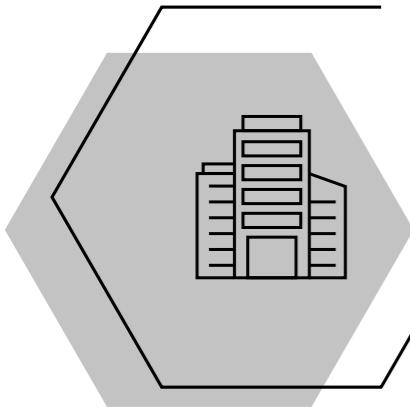
Working with partners

Maximising income from our portfolio

Supporting the City's future

These will guide the way that our estate is planned, used, managed and invested in to support the aims, ambitions and priorities of the Best Council Plan, Inclusive Growth Strategy and Health and Wellbeing Strategy.





FIT FOR PURPOSE AND MODERN ESTATE

Our operational estate is the cornerstone of our property portfolio and is often the gateway for members of the public to interact with the Council, whether through seeking advice or access to support, visiting museums, libraries, attractions, parks and gardens and leisure/wellbeing facilities. Our operational estate also provides office accommodation for the Council's c8,000 office based staff, as well as welfare facilities for front line staff across our depot facilities.

The Covid-19 pandemic has accelerated a number of trends which have emerged over recent years, with increased digitisation and integration of our systems, greater levels of digital access to services, and a more agile workforce. Services in the future will be less focused on buildings but rather about the most effective ways of providing high quality services to customers, around which estate requirements and solutions can be wrapped.

SUPPORTING FRONT LINE SERVICES

Ensuring front line services are supported with access to fit for purpose buildings is essential in ensuring the priorities and ambitions in the Council's three pillar strategies are realised. Over time, service delivery models will evolve to further enhance the way in which residents access services and seek support. Work will continue with services providing customer access as well as other core front line services such as children's and adults

social care to ensure that the estate responds to and supports future service transformation programmes.

This extends to our wider range of front line services including highway maintenance, cleansing and waste collection. The Council is already investing in a new depot facility at Cross Green which will support the transformation of our waste service, with work also underway to deliver a new warehouse and service hub for Assisted Living Leeds in Stourton. We also have a number of other depot facilities which are being reviewed to identify efficiencies whilst also recognising that they have lacked investment over many years and those retained therefore need to be supported by programme of investment.

In some parts of the city we have numerous buildings housing individual services and functions, including the provision of community spaces primarily within Community Centres. However, not all of our locality buildings are fully utilised and whilst it is important to ensure essential services and community space is provided, bringing this together into fewer, but better buildings will be essential.



OFFICE ESTATE

Within many of our core buildings, long gone are the days of individual members of staff having dedicated desks, the Council's Changing the Workplace programme was established in 2012 mainstreaming the principle of 'hot desking' which has made more effective use of our estate, reducing the number of under utilised desks as staff are working either from home, in meetings, in other locations or taking leave. However, from surveys undertaken before the pandemic, it was clear that there remained high levels of under utilisation.

The Covid-19 Pandemic enforced home working and whilst the office will continue to be an important component of our estate, a 'hybrid' working approach will be adopted whereby staff will come into the office frequently, but this will vary service by service subject to service need and the type of work being undertaken. Desk based activities will be less focused within our office accommodation, with staff more likely to use the opportunity of coming into workspaces to collaborate, meet with one another and wider teams, and for learning and development. Staff and services will also be encouraged to make use of our wider estate to help to support the continued rightsizing of the estate whilst sustaining and better utilising our operational buildings across the city.

To ensure that our estate meets the requirements of services and staff, some

remodelling will be required to create more spaces for collaboration and learning, taking on the form of more informal meeting and breakout spaces. These spaces will be in place of existing desks and will be designed with input from services and continual feedback from staff to ensure they are fit for purpose. This will be accompanied by other health and safety and equality, diversity and inclusion works where required. The success of 'hybrid' working is heavily dependent upon the availability, usability and functionality of digital infrastructure and technology to ensure that staff are able to work in an agile way and that meetings can successfully run both in place and virtually. To accompany this, the Leeds Full Fibre Programme is delivering full fibre connectivity to each of the Council's buildings with the benefit of providing wider infrastructure for investment across the city to create enhanced connectivity within communities.

RIGHTSIZING OUR ESTATE

The rationalisation programme already underway will continue with a focus on ensuring that we retain our best buildings and those with the most local importance. This will be data driven, reviewing factors such as building usage, location, facilities, backlog maintenance requirements, sustainability and overall running costs. The agile and hybrid ways of working being embedded across the Council will underpin this as will the sharing of buildings by a range of services as we



FIT FOR PURPOSE AND MODERN ESTATE

move away from single service properties. In addition we will seek out opportunities to work with partners to share our respective estates which will not only offer potential efficiencies but also improved customer access through more integrated service provision. It is therefore essential that our retained buildings are remodelled to ensure that they meet service and staff requirements, creating greater opportunities for collaboration, building in new technology to ensure the hybrid way of working can be supported and embedded.

HISTORIC AND SENSITIVE BUILDINGS

The Council owns 96 properties and structures which are of a historic and therefore sensitive nature. All of these properties will be reviewed to ensure that they are well

utilised and that there is an appropriate management and maintenance plan in place. However, the Council is not always the best custodian of these assets either due to our estate requirements or budget and therefore releasing some of these properties will be essential to protect their long term future whilst also reducing the Council's financial burden. For those properties which are retained by the Council, funding will need to be found to ensure that they are appropriately maintained and conserved. This may involve seeking grant funding from organisations such as the Heritage Lottery Fund.

CORE PRINCIPLES

Our estate must:

Adapt to meet changing customer requirements.

Support changing service delivery models.

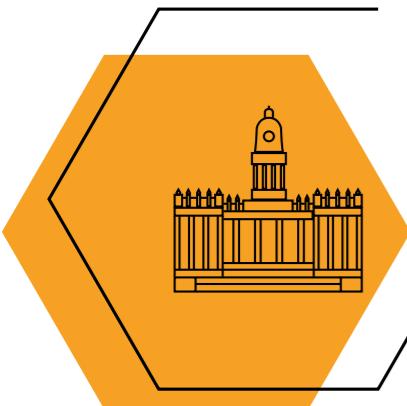
See a 50% reduction in the floorspace of our core office estate from January 2020.

Support service provision/ customer access.

Support agile working across all of our buildings and provide the right accommodation for services to be delivered effectively and efficiently.

Be rightsized ensuring it is affordable now and in the future.





A WELL MANAGED AND MAINTAINED ESTATE

A WELL MANAGED AND MAINTAINED ESTATE

Effectively managing and maintaining our estate is essential. Facilities Management services are provided via Civic Enterprise Leeds (CEL), who provide management services for our core office buildings. Historically, a large proportion of our estate has been managed by individual services leading to different standards, policies and procedures in place across different buildings. To ensure that we have a more consistent approach to building management, and that all statutory requirements are fully met, CEL will take on facilities management responsibilities across our entire estate, with three tiers being adopted:

RESPONSIVE, PLANNED AND BACKLOG MAINTENANCE

We have not been able to afford to invest in our estate as much as we would have liked to due to the Council's overall funding pressures and this, as well as an ageing portfolio has led to the level of backlog maintenance requirements we have today. Through the work to rightsize the estate, we will seek to release some of our most costly buildings both in term of running costs and those with the highest backlog maintenance. However, this will not always be possible and it will therefore be important to have a programme of investment into our retained estate to ensure that buildings are properly maintained, that backlog maintenance requirements are addressed and that operational costs are minimised. This will involve taking a longer term view about the maintenance needs of

our estate to support our financial planning processes as well as the specific needs of our heritage properties.

ENERGY REDUCTION AND CLIMATE EMERGENCY

Following the declaration of the Climate Emergency and the Council adopting the target of 2030 for the city to be carbon neutral, this has become a key driver in reviewing our estate and seeking investment to make our retained buildings more sustainable through a range of measures to reduce the Council's carbon footprint. In 2021, the Council secured £25 million to invest into a number of buildings both within our operational estate and several schools, to replace gas fired boilers with heat pumps, replace existing lighting with LED lighting and improve thermal loss through installing installation and replacing windows. This complements the city's District Heat Network the main heat source for which is the Recycling and Energy Recovery Facility in Cross Green, with a number of our core buildings including Leeds Town Hall and Leeds Civic Hall being connected to take heat from the network.

An Energy Strategy is to be prepared which will guide future investment decisions and opportunities to seek grant funding to help to reduce the Council's carbon footprint, which will also be supported through the estate rationalisation process. Equally, the ability for staff to work from home more regularly, and be more agile and flexible working from a range of locations has the potential to reduce the demand for travel, both commuting and for work purposes.

Full Facilities Management Services provided by CEL – Core Office Estate including Community Hubs

CEL Managed/Service Led, eg Depot Facilities where wider specialist site management is required

Service Managed/CEL Support, eg Leisure Centres (Note CEL to manage statutory compliance)

MANAGING OUR VOID PROPERTIES

The cost of managing our void properties in 2020/21 was in excess of £400k. To reduce these costs, we have made changes to our void management processes to ensure that we make more timely decisions on the future use of properties, before they become surplus to requirements. This process will be kept under review but where possible will involve

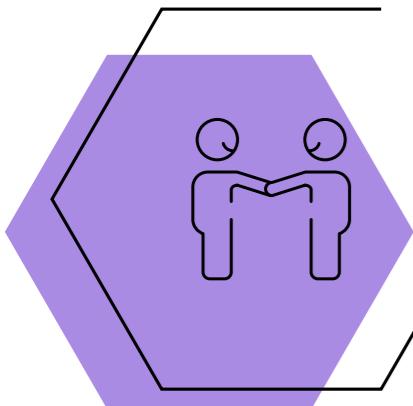
early work to prepare properties for marketing and disposal, or high level feasibility to support business case preparation for re-use/redevelopment schemes for other priority programmes. In addition we will review and where appropriate appeal National Non Domestic Rates to ensure that the Council only pays the rates it is liable for based on the

CORE PRINCIPLES

We will:

- Reduce the carbon footprint of our estate by 40% by 2025
- Bring forward a long term plan to ensure our retained estate is in a good condition
- Reduce the size of our estate so that it can be better managed and maintained within available financial resources
- Make timely decisions about how we move properties on which become surplus to operational requirements
- Roll out a corporate building management approach to ensure consistent management across all of our estate

WORKING WITH PARTNERS



The Council prides itself on the strength of partnership working across a wide range of areas of work, with its estate being no exception. We will continue to seek to further strengthen the level of partnership working with communities, across the public sector, third sector and private sector to achieve the aspirations and outcomes of our three pillar strategies. In addition the Council has good relationships with a range of funders including Heritage Lottery Fund and the Arts Council which provides additional funding opportunities around our heritage assets.

ONE PUBLIC ESTATE (OPE)

The Council has for many years worked positively with partners and through early rounds of the One Public Estate Programme formed strong relationships to deliver integrated health and social care hubs. This has formed the basis for then sharing our estate with a range of other partners with some of our core buildings in the city and our communities being shared with the police, Leeds Community Health, the wider NHS and a range of other service providers.

We will continue to engage with the West Yorkshire One Public Estate Programme to work with public sector partners across West Yorkshire to share intelligence and learning, and explore opportunities for further join up, sharing and integration of our estates where this can deliver efficiencies and improved services to residents. This may involve

other organisations taking more space within our estate, or equally some of the Council's service provision taking opportunities in partners buildings to further improve delivery. Such opportunities may attract funding from future rounds of the Governments One Public Estate Programme, but projects outside of this programme will also be explored.

COMMUNITY ASSET TRANSFER (CAT)

The Council has a proven track record of transferring properties and service provision it is no longer able to run to community organisations to continue to provide important services to local residents, whilst becoming self sustaining and not reliant on Council financing. Most notably the transfer of Bramley Baths and Yeadon Town Hall are two successful examples. As our estate rationalisation programme progresses, the potential for further CATs will emerge. Separate guidance has been prepared which provides more detail about the CAT process and the Council's requirements, with interested organisations required to draw together full business cases setting out how they will deliver any capital works to the building and sustain it in the future for the benefit of the local community.

WORKING WITH THE PRIVATE SECTOR

Partnerships with private sector partners are equally important to deliver growth and investment into the city. When making

decisions about the long term future of our estate, alternative uses and delivery approaches are considered. The Council has a long history of working with partners to bring forward regeneration and redevelopment schemes facilitated through either the disposal of Council owned land and buildings

or entering into development agreements to facilitate investment and growth. This will continue, supporting our ever changing city and wider transport investment programmes which will create new opportunities for investment.



CORE PRINCIPLES

We will:

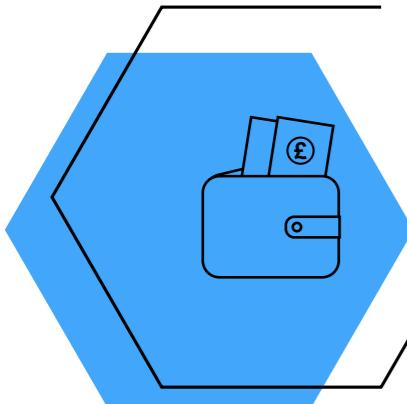
Continue to engage positively with the West Yorkshire One Public Estate Partnership to share knowledge, intelligence and expertise.

Explore opportunities to share our estate with partner organisation and utilise others' buildings where this improves service delivery.

Work with community organisations to progress Community Asset Transfers where there is a viable business case to do so.

Proactively explore opportunities to bring forward projects under future rounds of the One Public Estate Programme where this can support our wider ambitions..

Work with development partners as we leverage our estate to support regeneration and economic growth.



MAXIMISING INCOME FROM OUR ESTATE

Maximising income from our estate will continue to be important and will take two forms:

- Disposal of surplus assets
- Leasing of our Investment properties

DISPOSAL OF SURPLUS PROPERTIES

As we reduce the size of our estate, many of our surplus properties will be disposed through the Council's Capital Receipt Programme. These receipts have been a vital part of the Council's funding strategy, supporting the delivery of essential services over the last 20 years, generating in excess of £500m over this period. The programme will continue to be an important source of income for the Council, although it will reduce in scale as we begin to have fewer surplus assets available. A range of disposal routes are used, including inviting bids, auctions and where there is a robust justification via one to one negotiations. Whilst we will seek to complete disposals as quickly as possible to reduce void management costs, it can sometimes take time due to the complexity of some sites, and the terms of some disposals meaning that they are reliant upon the purchaser securing an acceptable planning consent in order to maximise our return.

INVESTMENT PROPERTIES AND COMMERCIALISING OUR ESTATE

The Council has a wide ranging investment portfolio including prime investment properties such as Leeds Arena and 3 Sovereign Square

as well as commercially let properties and small industrial units. In addition, there is an extensive agricultural portfolio which as well as agricultural land, includes facilities such as playing pitches and club houses which are let to sports clubs across the city. The portfolio is important in supporting the Best Council Plan and in particular the Leeds Inclusive Growth Strategy with many of the smaller units providing space for new and growing businesses.

We will dedicate more resource towards managing our investment portfolio in order to seek to maximise the revenue income generated, which currently stands at c£11m per annum, minimise arrears and ensure that legal obligations as a landlord are met. Some of our leased out estate is tired and as such income can not be maximised. Equally, it does not provide the right conditions for businesses to flourish. Thus, a programme of improvements will be proposed which will be supported via increased revenue opportunities.

Seeking new sources of income is important. We will explore the potential to create additional small industrial facilities provided that this is viable. In addition we will actively seek new investment opportunities where these meet both funding requirements and our investment strategy, namely that they are within Leeds, and that they support or contribute to the economic growth and regeneration of the city.

Where operational properties become surplus to requirements, the opportunity to move these into our investment portfolio will be considered. As an example, St George House in the city centre, formed part of our core office estate, and as our requirements have changed, in 2021 it was moved into our investment portfolio and has been commercially let. In addition, we will also work with partners to explore opportunities for sharing space within our operational buildings, which can also provide additional sources of income.

Our investment portfolio will remain under constant review. Subject to market conditions,

lease arrangements and managing our risk profile across sectors, opportunities to dispose of investments may emerge. This has recently been the case with the disposal of a number of properties which were acquired to support the development of the Leeds Enterprise Zone, some on a speculative basis. Following the successful letting of all properties and the strength of the industrial market, the opportunity to sell the investment was realised.

CORE PRINCIPLES

We will:

Continue to dispose of surplus properties to secure capital receipts.

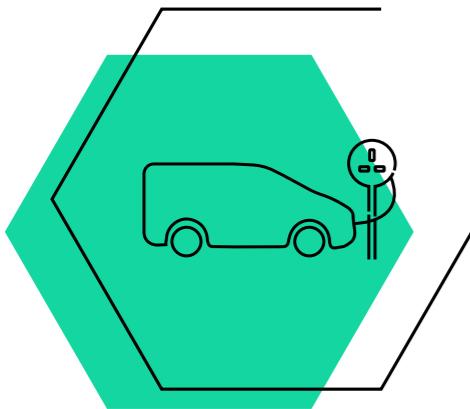
Ensure that our investment portfolio is robustly managed.

Seek opportunities to grow income from our Investment Portfolio through targeted investment into existing properties and the development of new properties.

Explore the opportunity to grow our investment portfolio by utilising surplus operational properties for new lettings.

Work with partners with space requirements to lease space within our operational portfolio

Review our investment portfolio and remain open to the sale of investments where there is a strong justification for doing so.



SUPPORTING THE CITY'S FUTURE

Being one of the largest landowner within the city, the Council has the ability to play a unique role in promoting economic growth, regeneration, inward investment, and job creation. The Council has a strong tracked record of leveraging its estate and targeting new investment to support regeneration and growth. Equally, the Council has statutory Compulsory Purchase powers which can be used to unlock opportunities for change where there is a strong case to do so.

SUSTAINING AND GROWING THE CITY AND OUR TOWN AND DISTRICT CENTRES

The Council will seek to use its estate to promote new investment through the targeted release of development sites and surplus buildings for re-use or redevelopment for housing and other commercial uses, providing not only economic but social and physical benefits to local communities. Our heritage properties in particular can support place making and reinforce local identity. The use of our retained estate can also support the local economy. Through ensuring that our operational buildings across the city are well utilised by our own staff and partners, we can encourage increased footfall into our town and district centres as staff work in a more agile way. The added footfall within local centres by Council staff and visitors to Council buildings could lead to increased spend, supporting small businesses to be sustained, invest and grow.

Regeneration and growth schemes will

also continue to be driven forward by the Council utilising our estate as leverage and where appropriate ensuring that the Council plays a leading role in the shaping of new development schemes. East Leeds Extension is a live example where the Council's land holdings and compulsory purchase powers have underpinned the construction of the East Leeds Orbital Road and delivery of housing. Equally, the Council has disposed of large areas of land for housing in other parts of the city, including a large number of sites in Seacroft and Halton Moor which will deliver over 1,000 new homes on brownfield sites alongside investment into greenspace and infrastructure.

Our Agricultural portfolio provides opportunities for future strategic development subject to planning policy decisions and the city's future needs. These opportunities will remain under review and we will consider making other strategic property investments which have the potential to support future regeneration and growth.

As the city changes, some of our operational services may need to relocate. As outlined elsewhere in this document, in 2019, the Council committed to the relocation of Assisted Living Leeds from their existing building adjacent to Leeds Dock to a newly acquired industrial property in Stourton. Whilst this will support service delivery improvements, the key driver is the opportunity to secure new mixed use development around Leeds Dock and the

Climate Innovation District, as the city centre expands and diversifies.

SUPPORTING THE COUNCIL'S PRIORITY PROGRAMMES

The Council has a number of priority development programmes focusing on the development of social and affordable housing, specialist residential accommodation and ensuring the required number of school places are available. The Council has its own Council Housing growth programme which delivers both general needs and specialist

accommodation with a target to deliver 300 new homes per annum. To support this programme, our surplus properties are considered but to meet demand requirements, particularly in parts of the city where the Council has fewer assets, the acquisition of additional land will be explored. Meanwhile, the Council has strong links with Registered Providers and through property disposals will seek to support both affordable and market housing growth.



SUPPORTING THE CITY'S FUTURE

REDUCING THE CITY'S CARBON FOOTPRINT

Whilst there is a strong focus on reducing the carbon footprint of our estate, the Council also has a vital role to play to support the city in achieving carbon neutrality by 2030. As technology develops, the demands for land to support energy generation and storage, carbon capture, and new infrastructure is required. We intend to plant 5.8 million trees on Council land over the next 25 years supporting ecology, biodiversity and tackling climate change. In addition, local food production is becoming ever more important. All of these initiatives have competing and complementary land requirements and we will work to use our estate effectively to balance these needs.

Already there has been significant investment into three Park and Ride sites in the city (Elland Road, Temple Green and Stourton) which have in excess of 3,500 spaces between them. This removes large numbers of journeys by private car from the city centre. Stourton Park and Ride is the first fully solar powered Park and Ride site in the country with the power generated used to power electric zero emission buses.

Given the success of the existing Park and Ride facilities, sites for additional schemes on main arterial routes will be explored. In addition as other public transport improvements are explored to improve availability and attractiveness, land to support these schemes will need to be identified and secured.

CORE PRINCIPLES

We will:

Leverage our assets to support the regeneration and growth of the city, town and district centres.

Use our statutory powers where appropriate and as a last resort, to unlock redevelopment schemes which provide regeneration, economic growth and community benefits.

Identify surplus properties and land to support the Council's priority programmes including Housing Growth and delivery of adequate numbers of school places.

Proactively explore and plan how our land can be used to meet the Climate Emergency



IMPLEMENTATION AND MONITORING PROGRESS

There are a number of services within the council directly responsible for the implementation of this strategy. A Property Management Review was undertaken in 2021, the purpose of which was to ensure that property related activity sat in the appropriate services within the Council. The two primary areas where responsibility for property sits are:

STRATEGIC ESTATE PLANNING (CITY DEVELOPMENT DIRECTORATE, ASSET MANAGEMENT AND REGENERATION)

Asset Management:

Estate Strategy/ Planning

Identifying estate solutions to meet service need, and support regeneration, development and inward investment.

Planning and overseeing the delivery of estate remodel as well as other building changes to meet service requirements

Securing vacant possession for operationally surplus properties

Demolition of surplus buildings

Disposal of surplus properties

Managing our investment properties

Projects and Programmes:

Project management of new build and major refurbishment schemes

OPERATIONAL MANAGEMENT (RESOURCES DIRECTORATE, CIVIC ENTERPRISE LEEDS)

Hard Facilities Management

Delivery of emergency and responsive maintenance

Ensuring we have up to date condition surveys for our estate

Identification of a planned/ cyclical maintenance programme

Ensuring statutory compliance

Identify funding needed and a programme of works to address backlog maintenance

Risk Assessment, management and security of void property and land

Soft Facilities Management

Building management including front of house and cleaning services (as per tiered approach to building management)

Delivery of service relocations/ re-model as instructed by Asset Management

Leeds Building Services

Delivery of commissioned works to property portfolio. Instruction from Facilities

Management and Asset Management and Regeneration only.

Supported by:

HEALTH AND SAFETY

Provision of Health and Safety advice and support to Facilities Management

SUSTAINABILITY ENERGY AND AIR QUALITY TEAM

1. Identifying measures and securing funding to reduce the carbon footprint of our estate and working with Facilities Management to implement investment schemes.
2. Identify wider opportunities for decarbonisation working with Asset Management to explore estate solutions.

PARKS AND COUNTRYSIDE

Management and maintenance of park land, public open spaces and amenity greenspace

IMPLEMENTATION AND MONITORING PROGRESS

TECHNICAL AND DESIGN SERVICES

Whilst there are officers within both Facilities Management and Asset Management with technical, design and project delivery expertise, the volume of work requires additional support to be sought. In 2012, the Council established a Joint Venture Partnership with Norfolk Property Services to form NPS Leeds. Since this time, NPS have provided technical and design service to the Council on a range of schemes, with particularly large areas of work focusing on the schools planned maintenance programme, and housing improvement and maintenance schemes. They also undertake condition surveys on our operational estate and have been involved in the design and delivery of a number of routine as well as larger scale schemes including Yeadon Town Hall, Thwaite Mills and Leeds Town Hall. Now part of the Norse Group, a contract for a further 10 year period is due to be entered into, continuing the existing joint venture arrangements and service provision but one which seeks to strengthen and develop the relationship and commissioning process to ensure that this meets the Council's ever changing needs.

IMPLEMENTATION PLAN

An Implementation Plan will be prepared by Asset Management which will set out the short, medium and long term plan for each of the Council's assets. This will remain a live schedule and will be updated subject to changing service requirements and priorities. The implementation plan will inform day to day and planned maintenance and management decisions.

DECISION MAKING

Decisions about our estate are made in line with Council Financial Procedure Rules which require all decisions relating to the future use of our Estate to be overseen

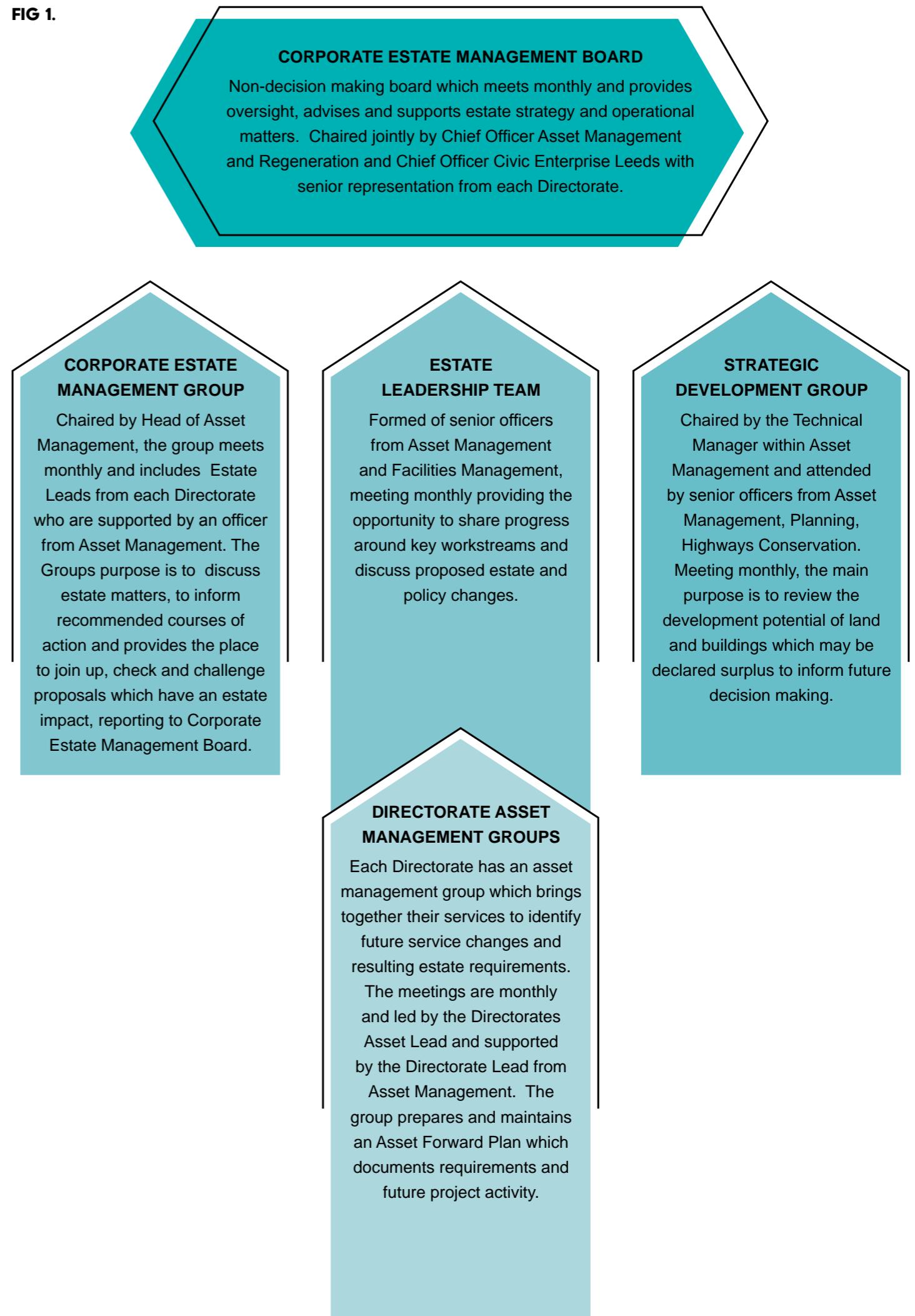
and where applicable delegated to the Director of City Development in consultation with Executive Members, with further sub delegations in place to the Chief Officer Asset Management and Regeneration, Head of Asset Management and Deputy Head of Land and Property. This includes decisions around the use of property for alternative service provision, as well as decisions to lease out or dispose of properties. Decisions around the maintenance and management of the Estate is overseen by the Director of Resources. Where decisions are required which are not covered by these delegations, or it is in the public interest that a wider debate takes place, reports will be presented to Executive Board for consideration.

The Corporate Landlord approach is supported by the governance arrangements as shown on the next page. In addition to these arrangements which support both the strategy and operation of the estate, Property Panel considers the terms of proposed property transactions prior to delegated decisions being taken. This is chaired by the Deputy Head of the Land and Property Team within Asset Management and includes Legal and Finance officers.

Where funding is required to support investment into the estate, this will be considered through the Best Council Teams – either Strategic Investment and/ or Financial Challenge for support. Funding decisions will be taken in line with Council Financial Procedure Rules and whilst support may be sought from Best Council Teams, decisions may ultimately be subject to Executive Board consideration.

The Estate Management governance arrangements are shown in Fig 1.

FIG 1.





IMPLEMENTATION AND MONITORING PROGRESS

MAJOR CAPITAL INVESTMENT SCHEMES

Where significant capital spend is being brought forward on an existing or new asset, beyond maintenance and repair, a dedicated project board is established to oversee the project, providing assurance and due diligence around the design, delivery and management of the works. The Council has an adopted project management protocol and uses the RIBA design stages to support scheme development. To improve financial planning and ensure business cases are as robust as possible, business cases will include whole life costs. This will help to inform decisions about up front capital investment which may result in lower running costs and will also ensure that there is increased levels of involvement of the Council's management and maintenance teams during design stages, ensuring that proposed new investment is cost effective to maintain.

THE STATUTORY PLANNING PROCESS

The use of some properties and potential for future development will be informed by existing and future planning policies. These will be prepared through the statutory plan making process and subject to independent review. Equally many proposals will be subject to planning consent which involves a period of statutory consultation whereby members of the public and statutory consultees have the opportunity to comment on proposals. This again can result in changes being made to proposals to address any issues raised having both an impact upon how we develop our operational estate but also our ability to raise capital receipts and expand the investment portfolio. To provide planning certainty, sites are considered by Strategic Development Group which is an officer working group involving Planning,

Highways and Conservation officers and early pre-application discussions will take place around emerging proposals.

ESTATE INFORMATION MANAGEMENT

Delivery of this strategy will be reliant upon us having comprehensive data about our estate, which will underpin and inform an implementation plan which will for each asset identify the Council's vision on a short, medium and long term basis.

The Council has a number of IT systems which support estate management functions, including a property gazetteer, document management system, income system through which leased out properties can be managed, and systems through which property maintenance issues are recorded and works ordered. However, these individual systems are not integrated and the information about our estate is not as comprehensive as we would like.

Working with the Council's Integrated Digital Service, the issues have become well documented, and there is a clear need to find an integrated solution which affords staff across our Estate Management functions the ability to interrogate data and have greater reliance on the information they find, which will underpin our estate planning and utilisation.

Desk and space booking since the pandemic is becoming embedded across the estate, which not only gives staff the assurance that when they come into the office there is space for them, but it provides a real-time data set which can help to identify further opportunities for change and improved utilisation within the estate.

WHAT WILL SUCCESS LOOK LIKE?

The Council's real estate will remain vital to the provision of high quality services, but will also be managed to support the wider economic growth of the city and partnership working. Close working between the Asset Management and Facilities Management services and the Council's Directorates will help to ensure this is achieved, but also that our estate is rightsized and efficiently utilised. We will work with partner organisations across the city to identify joint estate solutions to further improve service improvements across the public and third sector.

Bringing together comprehensive data sets around the usage, condition, sustainability and operational costs will underpin the strategic planning of our entire estate. This will allow the production of an implementation plan which will schedule all of our properties to identify those which can be released, but also to bring together an investment plan for our

retained properties.

Our Investment portfolio will be a particular focus for income growth for the Council. This important segment of our estate provides a wide range of economic benefits to the city, providing highly demanded space for small and growing business, but is also an important income stream for the Council which can be further enhanced through targeted investment to reduce voids and rent reductions.

We will continue to carefully manage the number of void properties we have across our entire estate, given the impact these have upon communities and their financial liability to the Council, whilst progressing the disposal of surplus assets using the appropriate mechanism to completion in the shortest possible timescale whilst achieving the best consideration and solution for local residents.

Overall, success will mean that:



Our estate is well utilised, and supports service provision to residents and communities across the city



We have a clear 5 year vision for each of our buildings with associated maintenance plan



We continue to reduce the number of properties in void management



We have a strong investment portfolio, which is well managed and delivering a sustainable income stream



We continue to dispose of surplus properties using the most appropriate method based on the property and market conditions



We maximise joint working with partners to ensure that our estates across the public sector are complementary and where appropriate shared.



We make strategic acquisitions to support future regeneration and change within the city



Our estate is leveraged to support regeneration within our communities and the city centre, and supports the city in becoming carbon neutral.



Ultimately, there are many factors which will shape our estate, some of which compete with one another. The guiding principles within this document will help us to bring forward proposals and make decisions to ensure that our estate contributes to meeting both the Councils and City's ambitions.