



Basingstoke
and Deane

PROPERTY INVESTMENT STRATEGY - DRAFT ANNUAL PROPERTY PLAN 2019-20

**Graham Cadle, Executive Director of Finance and
Resources**

Report to	Audit & Accounts Committee
Ward(s):	All
Key Decision:	No
Appendix:	Draft Property Investment Strategy – ‘Annual Property Plan’ 2019-20
Papers relied on:	Property Investment Strategy approved by full Council on 23 February 2017

Foreward – Cllr. Izett, Cabinet Member for property and Development

"These proposals for the further evolution of this council's Property Investment Strategy for the upcoming financial year build on the excellent progress made by officers during 2018. Following the enhanced income now flowing as a result of 4 new property transactions in the borough, we are well on track to achieve the additional £1.7m by 2021 of annual income over the returns obtainable by investing in conventional treasury.

Priorities for the year ahead are clearly stated in this report including opportunities to modernise and improve our existing long held property portfolio and support our ambitions as a council through the Housing Investment Strategy, currently being developed by officers, to intervene in the local housing market, not least at Manydown, and to assist and accelerate delivery of the new homes our residents of all ages and situations require.

I am pleased to note the good progress being made with existing tenants and developers to enable the redevelopment of obsolete buildings. It is important that this council continues to facilitate the renewal of premises so that new job opportunities can be created.

I look forward to receiving the comments and advice of councillors on Audit and Accounts Committee in carrying out their important role in connection with our Property Investment Strategy."

Recommendation to Committee

It is recommended that the committee notes and provides any comments to Cabinet on the attached Property Investment Strategy – Annual Property Plan 2019-20 report.

Background, corporate objectives and priorities

The purpose of this report is to present the Property Investment Strategy – Annual Property Plan 2019-20 that will be reported to Cabinet on 5 February 2019.

1 Summary of Performance

- 1.1 The attached Cabinet report proposes to continue the work started in 2017-2018 to deliver additional income of £1.7m per annum by the end of 2020-2021 through increased rental income.
- 1.2 To the end of December 2018 implementation of the agreed strategy has already achieved a net increase in council income of £1.129 million through new acquisitions and the strategy is on course to deliver the £1.7m target.
- 1.3 In line with the Strategy the Council completed four new acquisitions at a cost of £16 million (including acquisition costs) which provide an additional £1.29 million worth of rental income per year reflecting a net initial yield of 7%.
- 1.4 An additional £8.9 million is conditionally allocated towards part funding a proposed office building at Basing View which is due to be let to Eli Lilly.
- 1.5 Consequently £5.1 million remains to be invested out of the £30 million 'Property Investment Strategy' allocation.
- 1.6 The value of the investment portfolio as at the last valuation in March 2018 was £296 million from which an annual rental income of £16.58 million per annum is derived.

2 Corporate Implications

- 2.1 There are no financial, human resources, equality or legal implications in this report.

3 Consultation and communication

- 3.1 There is no requirement for consultation.

Date: 28th January 2019
Decision taken by: Audit and Accounts Committee

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Confidentiality	It is considered that this report and appendices do not contain exempt information under the meaning of Schedule 12A of the Local Government Act 1972, as amended, and therefore can be made public.