



PROPERTY INVESTMENT STRATEGY – Annual Property Plan 2020/21 QUARTER 3 REPORT

**Sue Cuerden, Executive Director of Corporate Services and
S.151 Officer**

Report to	Audit & Accounts Committee
Ward(s):	All
Key Decision:	No
Appendix:	Annual Property Plan (Property Investment Strategy) – 2020/21 Qtr 3 Report
Papers relied on:	Property Investment Strategy approved by full Council on 23 February 2017

Recommendation to Committee

It is recommended that the Committee notes and provides any comments on the attached Annual Property Plan (Property Investment Strategy) 2020-21 Qtr 3 Report

Background, corporate objectives and priorities

The purpose of this report is to present the Property Investment Strategy – Qtr 3, 2020-21 update.

Summary

The report outlines the following:

- 1.1 As previously reported, through acquisitions (for which total Treasury Management funds of £32.49M were made available) and asset management, a target was set of generating an additional net income of £1.70M per annum by the end of 2020/21 to directly link with and support the council's Medium Term Financial Strategy.
- 1.2 £2.49M of the capital funds noted above will be replaced through the

disposal of lower performing assets as part of the investment strategy.

- 1.3 In anticipation of the final investment acquisition, the Eli Lilly building, achieving the anticipated income level, the total income generated from the Property investment fund will exceed the £1.7M target in 2020/21 by £0.61M (£2.31M) ahead of schedule. The Property Investment Strategy was a key strand in achieving the council's additional income targets which have been successfully implemented.
- 1.4 With the completion of the investment programme Property Services will continue to monitor the market for potential opportunities with a focus on the asset management of the existing portfolio, reviewing investment performance and rebalancing the portfolio to continue to meet investment returns as outlined in the Property Investment Plan.
- 1.5 Ahead of the 2021/22 Annual Property Plan commencing from 1st April 2021, the focus from Qtr 3 2020/21 has reverted from property acquisitions to increasing asset management of the portfolio. There has been continued focus, in particular, on meeting the challenges posed by the Covid19 pandemic on the investment property portfolio since March 2020. These remain ongoing. Also JLL were appointed during Qtr 2 of 2020/21 as the council's property advisers. They will provide further expertise and additional strategic resource to the team in implementing the Annual Property Plan objectives, preserving and enhancing the council's significant property portfolio and also supporting the council's regeneration objectives.

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: 29th March 2021 To Note – No Decision Required: Audit and Accounts Committee

Lead officer	Executive Director of Corporate Services and S.151 Officer – Sue Cuerden
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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.