

Bath & North East Somerset Council		
MEETING:	Resources Policy Development & Scrutiny Panel	
MEETING DATE:	17 May 2017	
TITLE:	Commercial Estate Acquisition Strategy	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix – Report providing an update on the achievement to date relating to revenue targets for 2016/17 and 2017/18, together with a review of the process adopted for property acquisitions.		

1 THE ISSUE

- 1.1 To provide the Resources Policy Development & Scrutiny Panel with an update on the achievement to date against the revenue targets set for the Commercial Estate during the periods 2016/17 and 2017/18, together with a refresh the process adopted for property acquisitions in pursuance of the growth of net secure income generated by the commercial estate in line with the targets that have been set.

2 RECOMMENDATION

The Panel is asked to;

- 2.1 Comment on and provide challenge in relation to the update on revenue generation against the targets set
- 2.2 Comment on and provide challenge in respect of the process adopted for property acquisitions

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 None as a direct result of this report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 None

5 THE REPORT

5.1 The Resources Policy Development & Scrutiny panel have considered two previous reports in relation to the measures being taken through the Commercial Estate to achieve the Strategic Review targets.

5.2 These measures have included the following;

- Growth in rental income from current Commercial Estate.
- Reduction in service supported borrowing through the disposal of underperforming and surplus property assets.
- Restructuring existing lease arrangements.
- The construction of income generating development opportunities.
- **The acquisition of income producing investment properties.**

5.3 Whilst the other measures for generating this income have generally been accepted, the approach relating to the acquisition of income producing investment properties to contribute towards the generation of secure net income has been challenged and considered by the Council's external Strategic Adviser and Critical Friend as the most high risk means of contributing towards the achievement of the Strategic Review targets.

5.4 The purpose of this report is therefore to focus upon the Acquisition Strategy for the Commercial Estate and in particular to update the panel on achievement towards the Strategic Review target from acquisitions to date and to review and refresh the process adopted for property acquisitions; both of which are set out within the appendix to this report.

5.5 It is anticipated that the Acquisition Strategy will eventually form part of an overall Commercial Estate Strategy, which will then be incorporated within a formally adopted and refreshed Corporate Asset Management Plan for the Council, which will be approved by the Council.

5.6 The Panel is therefore requested to provide its comment and challenge on the update and acquisition process set out within the Appendix attached to this report as part of the process leading to formal adoption of the Asset Management Plan through Council approval.

5.7 It is proposed that further reports will therefore be presented to the Resources PDS Panel over forthcoming meetings covering the following matters, which will all eventually form the Commercial Estate strategy:

- External Property adviser review of the Property Market
- A review of the existing objectives for the Commercial Estate

- Individual reports on each of the above strands for the generation of secure net income as set out in 5.2 above
- A review of the individual and overall performance of the commercial estate assets.

6 OTHER OPTIONS CONSIDERED

6.1 None

7 CONSULTATION

7.1 Monitoring Officer; s151 Officer.

8 RISK MANAGEMENT

8.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	<i>None</i>
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