

## **Item 11 - Property Investment Strategy Update**

The attached report was considered by the Finance & Investment Advisory Committee on 21 January 2021. The relevant Minute extract is below.

### Finance & Investment Advisory Committee (21 January 2021, Minute 89)

The Deputy Chief Executive and Chief Officer, Finance & Trading presented the report which provided an update on the progress of the Property Investment Strategy to date and looked at the future direction of the strategy.

The Property Investment Strategy had been approved by Council on 22 July 2014, to support the aim of the council becoming more financially self-sufficient as Government Support continued to reduce. The acquisitions to date had helped the Council achieve this aim. The report also provided an update on those acquisitions.

The Government's Spending Review in November included changes to the Public Works Loan Board (PWLB) lending terms and were intended to stop councils that invested primarily for yield from borrowing from the PWLB. These changes would be monitored and might impact on the Council's future ability to undertake property investments. In a changing property market, it was important to review the criteria of the strategy on a regular basis. In acknowledgement of the position with Government Support and the continued low returns on investment of reserves, further investment in the Property Investment Strategy, if allowable, would continue to ensure that the Council remained financially self-sufficient.

Council had agreed that £50m could be spent on the strategy over four tranches and including the Sennocke Hotel, £31m of which had been spent.

Members asked questions and discussed the possible changes to the strategy criteria.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the report be noted; and
- b) the following changes to the Property Investment Strategy be recommended to Cabinet
  - i) all asset categories be included in the strategy subject to appropriate due diligence and ensuring no asset class exceeds 20% in total value of the approved funding; and
  - ii) the location of potential investments be expanded to all of England.