

**REPORT FROM: CHIEF EXECUTIVE AND
HOUSING, HEALTH AND ENGINEERING SERVICES
MANAGER**

TO: POLICY AND RESOURCES COMMITTEE

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LAND AND PROPERTY ASSET MANAGEMENT AND INVESTMENT

PURPOSE OF REPORT

To approve strategies for Land and Property Asset Management and Property Investment.

RECOMMENDATIONS

The Committee is asked to:

- (1) Approve the Land & Property Asset Management Strategy 2019/22 as shown at Appendix 1.
- (2) Comment as appropriate on the proposed Property Investment Strategy 2019/22 as shown at Appendix 2.
- (3) Note that, subject to the Committee's comments on the draft Property Investment Strategy for 2019/22, a further report to establish a Property Investment Fund will be brought to a future meeting of this Committee.

REASONS FOR RECOMMENDATIONS

- (1) To ensure the efficient and effective use of the Council's Land & Property Assets.
- (2) To provide opportunities for additional income.

ISSUE

Land & Property Asset Management Strategy 2019-22

1. The production of a Land & Property Asset Management Strategy is recognised as good practice in the proper management of the Council's physical assets. Getting the best use out of our land & property assets will support the delivery of services through generating income, reducing revenue costs and generating capital receipts.
2. At 1st April 2019 the Council's asset base comprised 782 property assets with a value of £51.5m. This compares with 936 assets worth £87.7m in 2011. The reduction in the number and the value of the Council's assets in recent years has been through a combination of demolition of regeneration properties, disposals, transfers to Town & Parish Councils and revaluations.
3. The proposed Land and Asset Management Strategy 2019-22, which is provided in draft at **Appendix 1**, aims to ensure that the Council utilises its remaining land & property asset base in the most effective, efficient and economical way to contribute to the achievement of the Council's Strategic Plan. The Strategy splits the Land & Property assets into 19 different categories and proposes a strategy for each of these categories to support the achievement of this aim.
4. The Strategy will contribute to the Council's Strategic Objectives by:
 - Making better use of assets to reduce costs and generate income to sustain services
 - Seeking to transfer assets to Town & Parish Councils to maintain local facilities and sustain delivery key services
 - Releasing surplus land (and, where applicable assets) for economic and housing uses
 - Providing opportunities for co-location of services with other public and third sector partners
 - Making more efficient use of office space which will encourage more joint working between Service Areas
5. Where land and property is not required for operational purposes, and is considered suitable for development/refurbishment, it has been put forward as surplus and suitable for disposal. Previous reports to the Executive and Policy & Resources Committee (the most recent on 24th July 2018) have set out the progress on disposing of surplus sites and buildings. Despite annual additions to the disposal programme the progress of disposal and redevelopment has often been slow. This is due to a number of factors including low values, abnormal development costs, the need to progress compulsory purchase to assemble sites and difficulties obtaining planning permission. Table 4 in the Strategy sets out progress on disposing of all the assets which have currently been declared surplus.
6. In order to continue to generate capital receipts to fund the capital programme it will be necessary for members to consider declaring further sites surplus for disposal, particularly those that are expected to be viable for development. A report proposing further sites will be brought to a future meeting of the Committee.

Property Investment Strategy 2019-22

7. At the meeting of the Policy and Resources Committee in December 2018, a Commercial Strategy was approved. A key component of the Strategy was a proposal for investment in property acquisitions as a means of generating net additional income for the Council to support the General Fund Revenue Budget. It was acknowledged at that time that further work was required to develop a Property Investment Strategy which would provide the basis for the Council to embark on this activity.
8. To that end, a draft Property Investment Strategy is provided at **Appendix 2**. The Strategy sets out the governance and investment framework within which the Council would consider the acquisition of property investments for a commercial return.
9. At this stage, acknowledging that this is a significant issue for the Council, the Policy and Resources Committee is asked to comment as appropriate on the proposed Strategy with a view to a further report being brought to this Committee seeking approval to establish an investment fund for this purpose.

IMPLICATIONS

Policy: The Land & Property Asset Management Strategy and Property Investment Strategy will support delivery of the Strategic Plan

Financial: Good asset management can reduce costs, increase income and generate capital receipts

Legal: None directly arising from this report

Risk Management: Property investment will need to take due regard to a number of risks including property values decreasing and the ability to let properties

Health and Safety: None directly arising from this report

Sustainability: None directly arising from this report

Community Safety: None directly arising from this report

Equality and Diversity: None directly arising from this report

APPENDICES

Appendix 1 – Draft Land & Property Asset Management Strategy

Appendix 2 – Draft Property Investment Strategy

LIST OF BACKGROUND PAPERS

Reports to Policy & Resources Committee:

24th July 2018 – Disposal of Sites for Housing

19th December 2018 – Commercial Strategy