

Item 4b - Reference from Scrutiny Committee held on 30 March 2017

The attached report was considered by the Scrutiny Committee on 30 March 2017. The relevant Minute extract is below.

39. Final Report from the Property Investment Strategy In-Depth Scrutiny Working Group

Cllr. Clack presented the report of the Property Investment Strategy In-Depth Working Group that considered whether the benefits of the Council's Property Investment Strategy outweighed the risks. The report detailed the summary of work that had been carried out by the working group including speaking with Ashford Borough Council, a case study on Suffolk House and speaking to the Leader. Conclusions of the working group and the recommendations were discussed including communication to Members, the professionalism and competence of Officers, self-sufficiency plus and affordable housing.

In response to questions Members were advised that Savills had been appointed as the Investment Advisors and would notify the Council if a property was coming up for sale. A Property Investment Strategy Update had been looked at by the Policy & Performance Advisory Committee and Finance Advisory Committee before going to Council on 25 April 2017 which was requesting that a further £25m be sought from external borrowing.

Members discussed 'self-sufficiency plus' and how this could work through Quercus 7. It was also discussed how information could be shared regarding purchases and how the Scrutiny Committee could be kept informed on individual properties performance, it was discussed that the performance monitoring should include information on the strategy. Members discussed the suggested recommendations to Cabinet.

The Chairman moved that recommendation within the report subject to the amendment of recommendation '(d) to explore possibilities of self-financing affordable housing and shared-ownership projects to help the less wealthy within the District' be amended to 'to explore the advantages and disadvantages of self financing affordable housing and shared ownership projects to help the less wealthy within the District'.

The motion was put to the vote and it was:

Resolved: That it be recommended to Cabinet that

- a) there be improved on-going communication with Members on progress with the exiting portfolio, the financial viability and returns being achieved, and details of new investments (as soon as it is appropriate to make Members aware);
- b) a single location be accessible to Members where all relevant information can be maintained and updated;

- c) in any month a purchase is made, an update be provided to Members, by the end of the same month (or within seven days, whichever is the latter) with details of the cost, source of financing and projected income; and
- d) the advantages and disadvantages of self financing affordable housing and shared ownership projects to help the less wealthy within the District be explored.