

Item 6 (c) – Property Investment Strategy Update

The attached report was considered by the Cabinet, and the relevant minute extract is below:

Property Investment Strategy Update (Cabinet – 18 January 2024, Minute 76)

The Portfolio Holder for Finance & Investment Advisory Committee presented the report which set out the progress of the Property Investment Strategy to date and looked at the future direction of the strategy. He advised that the Finance & Investment Advisory Committee discussed the item and were reminded of the purpose of the strategy and the limitations that were now in place and supported the recommendation to Cabinet.

The Deputy Chief Executive and Chief Officer - Finance & Trading advised that the Property Investment Strategy was approved by Council on 22 July 2014 to support the aims of the council becoming more financially self-sufficient as Government Support continued to reduce.

The acquisitions to date have helped the council achieve this aim. He advised that due to Government changes in the way councils could access Public Works Loan Board (PWLB) borrowing and the changes to CIPFA's Prudential Code, the Property Investment Strategy was no longer included in the capital programme therefore the Council could not currently borrow to make any more property investments purely for yield.

The Property Investment Strategy income was made up of income from the investment properties owned by SDC, interest from loans to Quercus 7, a dividend from Quercus 7, less an annual contribution to the Investment Property Maintenance Reserve. Members attention was brought to Appendix A, which contained the current Property Investment Strategy criteria, and it was noted that further investments were not currently viable.

The Cabinet discussed the report, noting the comments made by Finance & Investment Advisory Committee.

Resolved: That the report be noted, with no changes to the criteria.