

Extract from Joint Strategic Committee - 10 March 2020

JSC/103/19-20 Strategic Property Investment Fund 2020 and the Annual Commercial Property Investment Strategy 2020/21

Before the Committee was a report by the Director for the Economy, copies of which had been circulated to all Members and a copy of which is attached to the signed copy of these minutes as Item 8.

The report updated and confirmed the Councils' robust Commercial Property Investment Strategy (CPIS) to support the Councils' strategic income generation objective.

The Committee was informed that there was a statutory obligation to prepare an annual investment strategy to be approved in advance of the relevant financial year by Full Council.

The report supported the Councils' medium term financial strategy and sought to renew and refresh the current investment strategy in relation to the investment funds providing details on:

- Robust parameters to guide and support the development of an income generating property portfolio that seeks to manage and provide a financially resilient income stream for the Councils
- Update governance criteria to ensure diligent analysis and transparency to support the transparent decision making process

It was noted that the Joint Governance Committee gave a strong challenge to the position of risk at its meeting on 28 January 2020.

Members welcomed the report whilst acknowledging the significant contribution commercial property investment had made to Adur and Worthing Councils financial positions.

Decision:

The Joint Strategic Committee:

- i. agreed the suggested delivery and governance model as set out in the report which was to be approved by full Council as part of the overall Commercial Property Investment Strategy;
- ii. noted that at the end of the 2019-2020 financial year a Commercial Property Investment Fund Annual Asset Review was to be undertaken to detail specific performance of assets and potential future risks and opportunities along with proposals to manage these individual sites moving forward. This would be reported to JSC by the end of September.
- iii. noted that as part of the 2020/21 capital strategy, consideration be given to increasing the overall investment size from £125m to £175m per Council which will be funded from borrowing;
- iv. approved that the average lot size be increased from £5m - £15m, to £10m - £20m;
- v. **recommended that Adur District Council and Worthing Borough Council adopt the Commercial Property Investment Strategy for 2020-2021;**
- vi. approved that the budget for future years may be brought forward with the approval of the relevant Executive Members for Resources, following their consideration of a business case.