



CHELTENHAM

BOROUGH COUNCIL

Notice of a meeting of Council

Tuesday, 11 September 2018

6.30 pm

Council Chamber, Municipal Offices

Membership	
Councillors:	Bernard Fisher (Chair), Roger Whyborn (Vice-Chair), Victoria Atherstone, Matt Babbage, Paul Baker, Garth Barnes, Dilys Barrell, Angie Boyes, Nigel Britter, Jonny Brownsteen, Flo Clucas, Chris Coleman, Mike Collins, Stephen Cooke, Iain Dobie, Wendy Flynn, Tim Harman, Steve Harvey, Rowena Hay, Alex Hegenbarth, Karl Hoble, Sandra Holliday, Martin Horwood, Peter Jeffries, Steve Jordan, Chris Mason, Paul McCloskey, Andrew McKinlay, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Malcolm Stennett, Jo Stafford, Klara Sudbury, Simon Wheeler, Max Wilkinson, Suzanne Williams and David Willingham

Agenda

7.	MEMBER QUESTIONS	(Pages 3 - 8)

Contact Officer: Rosalind Reeves, Democratic Services Manager, 01242 774937

Email: democratic.services@cheltenham.gov.uk

Pat Pratley
Chief Executive

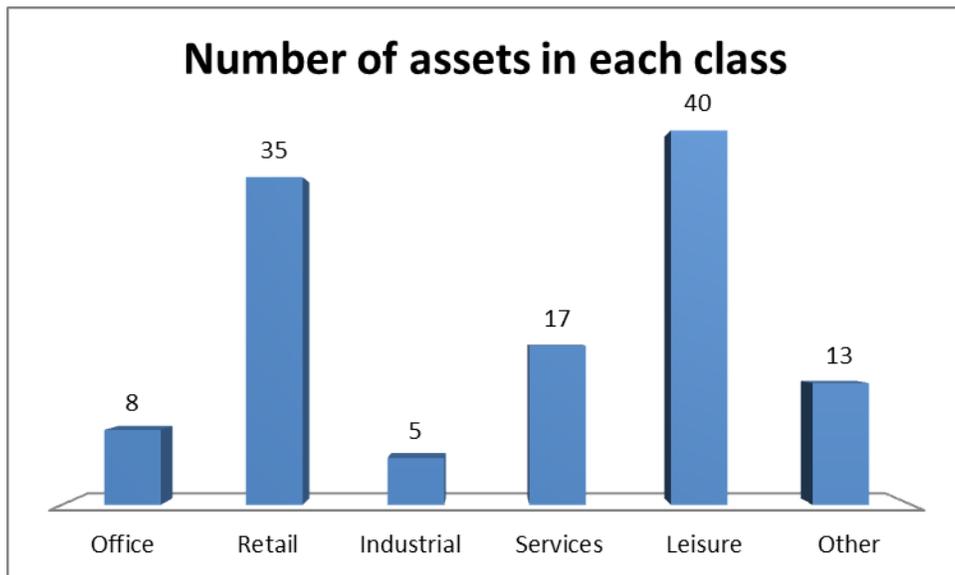
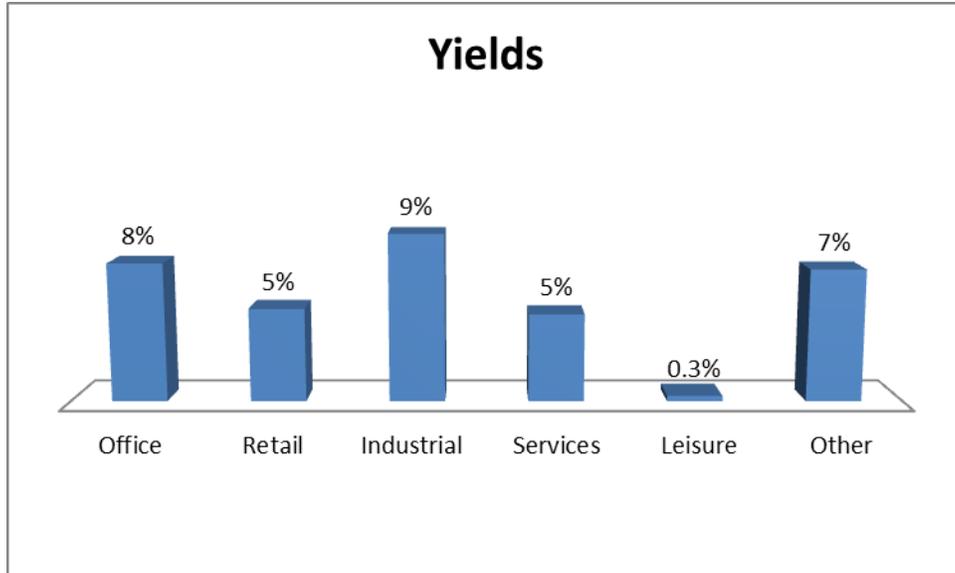
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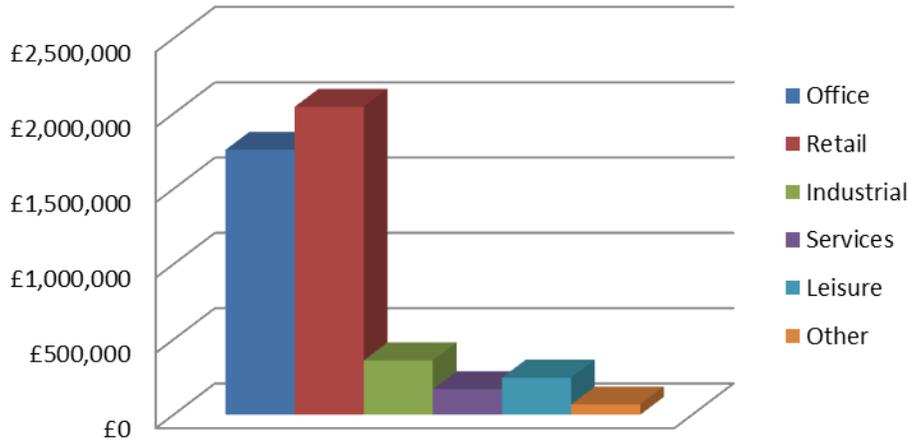
Member Questions (1 total)

1.	Question from Councillor Babbage to Cabinet Member Finance, Councillor Rowena Hay
	<p>Please provide a summary position of the council's investment property and other income generating property, including valuations, income generated, location and overview of tenants.</p>
	Response from Cabinet Member
	<p>I thank Cllr Babbage for his question which proved to be an interesting and informative exercise and I would also like to thank the significant amount of work and detail that officers have given in responding.</p> <p>The main categories of a commercial property investment portfolio are:</p> <ul style="list-style-type: none"> • Office • Retail • Industrial <p>The Council have a number of properties which are used primarily for service provision within these groups but are also capable of generating an income. Examples would include: Municipal Offices (office), Depot (industrial) and to a smaller extent Cafes in the Park (retail). Service providing properties would not normally be considered pure investment properties but actually what the statics show is that all these Asset Groups are performing well.</p> <p>The Council's income generating portfolio has been summarised by the attached graphs by showing the numbers of assets held in each category, the income generated from each category and the yields being generated from that asset group.</p> <p>A further three asset groups have been added to capture the entire property income generating elements of the Councils property portfolio. These have been split between:</p> <ul style="list-style-type: none"> • Services – WC's, Retirement and care accommodation • Leisure • Other – Primarily Land <p>It was a pleasing discovery on formulating this information that those Assets primarily held for service delivery were actually performing well. A yield of around 5% or above is what a traditional commercial fund would aspire to achieve.</p> <p>The Council are now focusing on diversifying the more traditional individual asset groups within the portfolio, to spread the risk. Again there is a large amount of historic assets that are <u>not</u> under performing as such, but they are very similar in nature due to the way in which Councils operate historically and have matured. An example would be the retail stock. This asset group is made up of a number of</p>

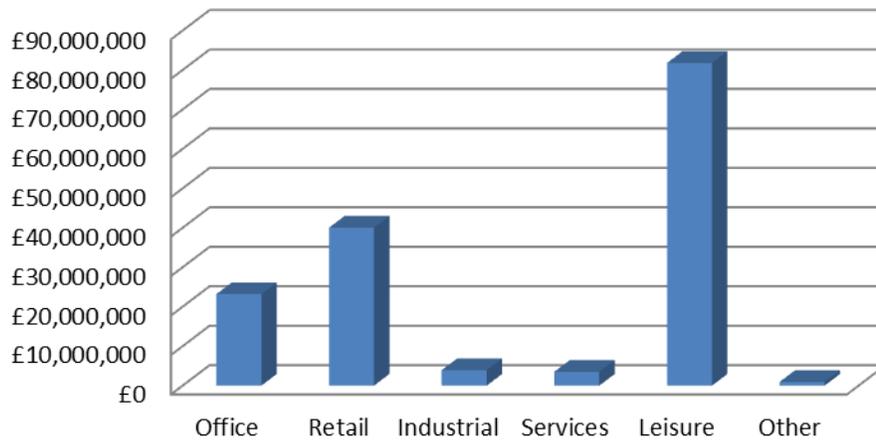
small individual units, either stand alone or forming part of a small parade of shops. There is traditionally no primary retail (town centre), but a number of units in secondary (town centre edges) and tertiary (within housing estates) locations. The purchase of Café Nero and future acquisitions look to diversify the historic portfolio balance.



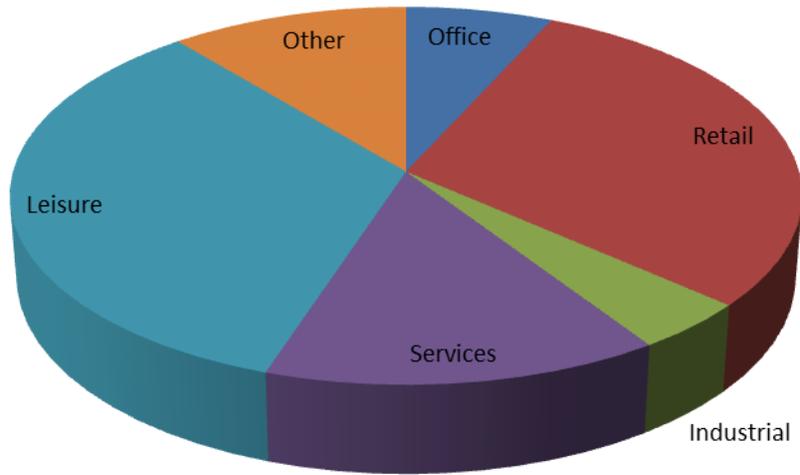
Income 2018

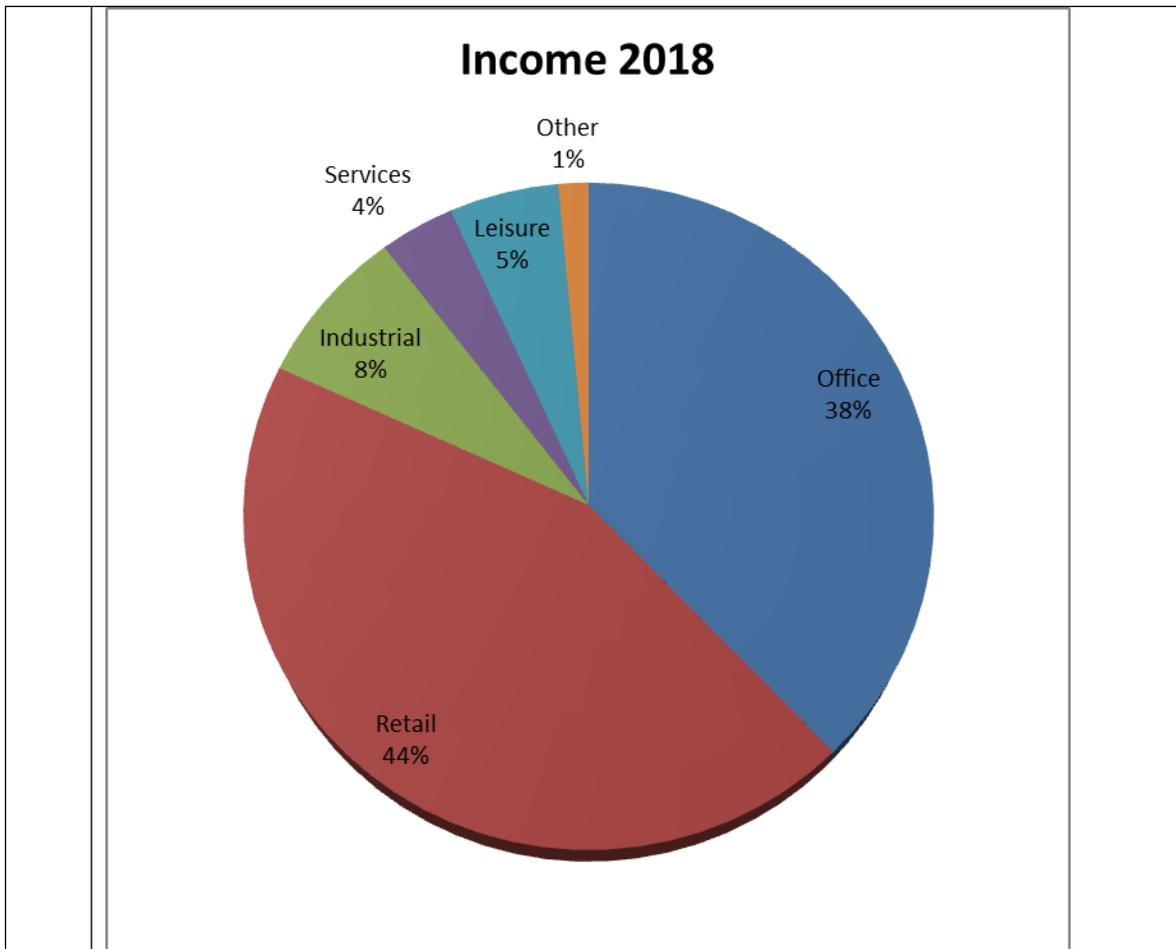


Value 2018



Number of Assets in each group





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