

Asset Management Plan (council 4/4/16 - Appendix G – extract)**Investment Property Portfolio Policy and Decision-Making Process****Criteria for acquisition**

- Must satisfy borrowing criteria powers, e.g. PWLB, prudential borrowing.
- Must satisfy legal powers of the council for property investment.
- Must make a positive contribution to the MTFS
- Acquisition cost must be in line with a commercially acceptable valuation.
- Must deliver the council's strategic objectives e.g. place shaping or value for money.
- May meet social value aspirations e.g. employment of apprentices, meet housing needs, positive regeneration or environmental improvement.

Decision making process

The Property Acquisition Assessment Group (PAAG) will consider proposals for acquiring investment properties.

Terms of Reference:

- To serve as a forum for consultation on investment property decisions to support the formal decision making process in line with the constitution.
- To scrutinise and review the performance of the investment property portfolio.
- The Group will have no delegated authority to make any decisions or commitments

Membership:

- Cabinet Lead Member
- Head of Paid Service
- Director of Resources and Projects
- MD of Place and Economic development
- MD of Cheltenham Development Task Force
- Head of Property
- Head of Legal (or Deputy)
- Section 151 Officer (or Deputy)

Accountability:

- PAAG is not a decision making body
- It makes recommendations to the AMWG to consider prior to approval by Cabinet or Council as appropriate.

Working methods:

- PAAG meets as and when required, with ability to be convened at short notice should an opportunity arise that requires a quick decision.
- Each member of undertakes his/her appraisal and brings it to the meeting for discussion, having supplied the headline information to complete the PAAG appraisal form.
- Confidential meeting as information is commercially sensitive. The meeting will be minuted.

- PAAG will receive regular performance report on the Council's investment portfolio for consideration, to be reported to the AMWG and Cabinet as part of the quarterly budget monitoring report if appropriate.

Reporting structure

- Briefing Notes will be prepared where appropriate.

Where items require a decision, reports will be prepared and submitted either to the Cabinet Member, Cabinet or full Council under the appropriate procedure in the constitution.

PAAG Acquisition Evaluation Form	
Date:	
Address	
Agent/Source	
Tenure	Area Sq Ft (M²)
Portfolio Sector	Weighting (% of Sector to Portfolio)
Asking Price	Valuation
Potential Purchase Price	Rental Income
Internal Rate of Return based on Potential Purchase Price	Projected Annual Revenue Surplus YR 1 (based on asking price)
Tenants/Covenant/Strength	
Capital works/repairs Identified	Non-recoverable items – voids/improvements
Current Planning Status	
Restrictive Covenants	
Strategic Objectives related to the Corporate Plan	
Income Profile	
Risk	
Due Diligence including Funding Arrangements	
Comments including Social Value Objectives relating to (a) Employment (b) Housing (c) Regeneration (d) Environmental together with other Operational Impacts or Factors	
PAAG Recommendation	

Portfolio Sector

Residential	Entertainment
Retail (High Street)	Hotel
Office (single / multiple occupier)	Food/Drink
Mixed use	Community use
Warehouse/Distribution	Manufacturing

