

# REPORT FOR DECISION

**MEETING:** CABINET

**DATE:** 3 SEPTEMBER 2014

**SUBJECT:** THE ESTATE STRATEGY (2014-18)

**REPORT FROM:** CABINET MEMBER FOR RESOURCES & REGULATION

**CONTACT OFFICER:** MIKE OWEN (EXECUTIVE DIRECTOR OF RESOURCES & REGULATION)  
STEVE HOPLEY (REGENERATION AND ESTATES MANAGER)

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**TYPE OF DECISION:** KEY DECISION

**FREEDOM OF INFORMATION/STATUS:** FOR PUBLICATION

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**SUMMARY:** The report outlines a summary of a strategy in respect to land and property held by Bury Council for non-operational purposes (The Let Estate).

The Estates Strategy sets out an overview of the existing portfolio and outlines the purposes for which the Council should hold property in the future.

It also provides a framework for assessing property assets identifying those which shall be retained and those which will be put forward for disposal.

This strategy is inherently interlinked with the Property Acquisition for Investment Strategy which appears elsewhere on the agenda for this meeting, with both strategies seeking to maximise the returns from Council investments at acceptable levels of risk.

**OPTIONS &  
RECOMMENDED OPTION**

**Option 1**

Members are recommended to:

- (a) Approve the Estates Strategy in the form attached.

**Option 2**

Not approve the recommendations of this report.

**Cabinet is recommended to approve Option 1.**

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**IMPLICATIONS:**

<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with Policy Framework? Yes.
<b>Statement by s151 Officer:</b>	The Strategy sets out a methodology whereby the Council can obtain the optimum return from its asset base, ensuring value for money and achievement of corporate objectives.
<b>Statement by Executive Director of Resources and Regulation:</b>	The proposals set out in the report are consistent with the Council's Economic Strategy
<b>Equality/Diversity implications:</b>	None
<b>Considered by Monitoring Officer:</b>	
<b>Are there any legal implications?</b>	
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview & Scrutiny

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**TRACKING/PROCESS****DIRECTOR: Mike Owen**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
18 August 2014	Yes		
Scrutiny Commission	Cabinet	Committee	Council
	3 September 2014		

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**1.0 INTRODUCTION**

- 1.1 The Estates Strategy provides a means to effectively evaluate and manage the Council's Let Estate until 2018 and beyond.

**2.0 ESTATES STRATEGY**

- 2.1 The Council has a sizeable non-operational portfolio of land and property interests. In total there are almost 950 different property interests ranging from simple ground leases through to multiple occupied offices and business parks. However, many are held for historical reasons, the rationale for which no longer applies.
- 2.2 The overall rent roll for the Let estate is circa £3.44m p.a. (excluding income from Markets).
- 2.3 The aim of this strategy is to:

1. Assess where we are now, in terms of the strengths and weaknesses of the current portfolio;
  2. Determine the size and type of portfolio that the Council should be striving to own in the future;
  3. Objectively assess how the Council is to move from one to the other.
- 2.4 Following an objective evaluation of the let estate, all properties that meet the retention criteria will be sorted into two categories, based on their primary objective, being either held for investment, or strategic purposes. The latter would included properties required to further regeneration schemes or to assemble development sites.
- 2.5 All properties not satisfying the criteria will be deemed to be surplus to requirements and will be held on an interim basis pending disposal.

### **3.0 RISKS AND MITIGATION MEASURES**

- 3.1 Risk: Properties are sold from within the let estate and not replaced, resulting in a reduction in the revenue income available to the Council.
- Mitigation: The Property Acquisition for Investment Strategy seeks to acquire replacement property assets that will provide a greater certainty of future income.
- Risk: Failure to restructure the let estate property portfolio, leading to a continued decline in revenue (and associated reductions in asset value)
- Mitigation Through the objective assessment of the current portfolio and proposals to restructure to achieve a higher performing alternative portfolio, the current downward trend can be stopped.

### **4.0 OPTIONS & RECOMMENDED OPTION**

- 4.1 Members are recommended to:

Approve the Estates Strategy in the form attached.

### **COUNCILLOR SANDRA WALMSLEY CABINET MEMBER FOR RESOURCES AND REGULATION**

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#### **Background documents:**

Estates Strategy

#### **For further information on the details of this report, please contact:**

Mike Owen – Executive Director of Resources and Regulation

Tel: 0161 253 5002

Email: [m.a.owen@bury.gov.uk](mailto:m.a.owen@bury.gov.uk)

Steve Hopley –Regeneration and Estates Manager, Property & Asset Management division

Tel: 0161 253 5991

Email: [s.hopley@bury.gov.uk](mailto:s.hopley@bury.gov.uk)