

Level

Tier

Scope

Service

District, County, Unitary

Asset Management

Property Investment



Characteristic(s) / CSF(s):
Managing Income

Problem and Approach

- Balancing the budget meant using commercial approach to property investment to secure future income.
- The council has incorporated private sector experience both in the team and external advisers. The focus is on robust decision making, with clear risk management but decision making at pace. There is an experienced team (8) and still expanding in property valuation and acquisition. Members are trained. It took 2.5 years to get a director of commercial services – essential to get the right people. The council borrowed £600m of which £80m still to spend.
- There is an investment strategy based around Runnymede. 65% of investment is in Runnymede area. £150m in 2 town centres, property is being brought together to redevelop 2 town centres.

Outcomes

- There is a clear framework which targets a net profit of 2-2.5%, where the council can afford the interest and can pay back over 40-50 years. The council only go for 1 in 10 of what they evaluate. Have a list of 25. If the property doesn't hit criteria, then they don't invest. Initial proposals go to Chief Executive, then Finance / Legal, then an External property expert – any of the recognised firms. There is a property acquisitions working party with extended levels of delegation up to £20m. Decisions within delegated limits can be achieved within two.
- Wider investment is in London, Milton Keynes and Thames Valley only. The council knows the markets here and can get to any building quickly.
- Manageable for members understand the risk, have the external professional advice.

<https://www.runnymede.gov.uk>



The public sector transformation partner