
Meeting of the Executive Member for Corporate Services and Advisory Panel

11 September 2007

Report of the Corporate Landlord

Review and Strategy for the Council's Commercial Property Portfolio

1 Summary

- 1.1 This report introduces Members to the strategic review of the commercial property portfolio which is currently being prepared, and invites Members' views on the process and options.

2 Background

- 2.1 The review of the commercial portfolio is needed as part of the approved Corporate Asset Management Plan for the Council. It will form a Service Asset Management Plan as referred to in the five year corporate plan.
- 2.2 The council owns commercial properties in two categories:
- a) non-operational. Properties not directly part of a service, for example, Shambles Shops, Hospital Fields Road Industrial Estate.
 - b) Operational. Properties ancillary to service use, for example housing estate shops and the Racecourse.
- 2.3 Outline of the non-operational portfolio.
- 150 individual properties.
 - Rent roll £2M pa, for the overall council budget.
 - Capital value £30m (2005). Growth 2000-05 was 36%.
 - Total cost of management including central costs, void property costs etc £390K pa.
 - Purchased mainly for planning and regeneration purposes, not specially for purely investment purposes for example:

Shambles (about 60% council owned) in the 1940's for improvement.

Goodramgate (part) Ex Wright's factory (1970's).

Gillygate and Bootham (part) for the inner ring road.

Hospital Fields Industrial Estate Fulford – from the M.O.D. in 1972 for employment purposes.

Coppergate – Cravens factory (c1970).

- Raises capital receipts - £2.8M since 2000.
- Supports service use, for example:
 - 19 flats over shops for housing (8 Housing Association)
 - 29 Castlegate is the integrated Youth Centre.
 - 3 Blossom Street for Citizens Advice Bureau.
- Provides opportunities for small business use.

2.4 Outline of the operational portfolio.

- 70 properties.
- Rent roll £800K pa to support service budgets.
- Capital value £6m (excluding properties valued at replacement cost).
- Part of service property, for example;
 - 35 Housing Estate shops, mainly with flats over let separately.
 - 10 Historic/infrastructure lettings, e.g. Bootham Tower.
 - 11 Riverside landings.
 - 13 Leisure properties (excluding housing, allotments and grazing rights) including Rowntree Park Café, Waterworld.

2.5 Objectives of the review.

- a) With the help of performance indicators, to look at the non-operational property in detail to identify poor performing assets.
- b) To assess which non-operational properties may be saleable in the future, and under what circumstances, and which should be retained.
- c) To assess which non-operational properties should be retained to complement service use.
- d) To look at enhancing income for the full portfolio.
- e) To agree performance indicators for the future.
- f) To consider sale of some property to reinvest the receipts for better performance.

2.6 A detailed report is being prepared for the next meeting. For the current meeting, officers will give a presentation to introduce the scope of the portfolio and look at some future options, in order to inform Members and invite input for the next meeting.

3 Consultation

3.1 This report forms part of the consultation process for the forthcoming review. However, the Head of Housing Services has been consulted concerning the housing flats involved here – which he wishes to retain.

4 Options/Analysis

4.1 In this case, options and analysis will be discussed at the meeting.

5 Corporate Priorities

5.1 The council's commercial properties contribute to the following priorities:

- Improve the streetscene
- Improve employment prospects
- Improve efficiency to free resources
- Improve partnership working to deliver better services for people in York.

6 Implications

- **Financial** – There are no financial implications.
- **Human Resources (HR)** - There are no HR implications.
- **Equalities** - There are no Equalities implications.
- **Legal** - There are no legal implications.
- **Crime and Disorder** - There are no crime and disorder implications
- **Information Technology (IT)** - There are no information technology implications.
- **Property** - Property implications are in the report.
- **Other** - There are no other implications.

7 Risk Management

7.1 There are no known risks associated with this report.

8 Recommendations

8.1 That the advisory panel advise the Executive Member that:

- a) The report be received and noted as an introduction to the full strategic review of the commercial portfolio to be presented to the next meeting.
- b) The views of Members expressed at this meeting be taken on board and addressed in the full review.

Reason: To provide an input into the commercial property review and inform the full report due at the next meeting.

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Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all*
For further information please contact the author of the report

All ✓

Background Papers: None
Annexes: None