



Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

SIGNED OFF BY	Chief Finance Officer
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TO	Partner, Shareholder and Trustee Executive Sub-Committee
DATE	Thursday, 21 March 2024
EXECUTIVE MEMBER	Portfolio Holder for Commercial and Community Assets

Key Decision Required	N
Wards Affected	All Wards

Subject	Property Portfolio Performance Quarter 3 2023/24
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Recommendations
(i) That the Partner, Shareholder and Trustee Executive Sub-Committee receive the report and provide any feedback.
Reasons for Recommendations
To monitor performance of the Council's commercial assets against comparable market sectors.
Executive Summary
Annex 1 to this report sets out the performance of the Council's commercial property portfolio as at the end of Q2 2023/24, including information about rental income, yields and vacancy rates.

Annex 1 to the exempt report in part 2 of the agenda for this meeting contains confidential information about proposed new tenancies and other opportunities and threats relating the Council's commercial properties.

Statutory Powers

1. Section 1 of the Localism Act 2011 gives local authorities a general power of competence that enables them to do anything that a private individual is entitled to do, as long as it is not expressly prohibited by other legislation.

Background

2. The Council owns a number of assets that are in commercial use and provide a rental income stream.
3. As part of the ongoing management of the portfolio, Property Services monitors and reports on the performance of these properties in comparison with the relevant sectors of the wider property market.

Key Information

4. Annex 1 to this report sets out the performance of the Council's commercial property portfolio as at the end of Q2 2023/24, including information about rental income, yields and vacancy rates.
5. The annex to the exempt report in part 2 of the agenda for this meeting contains confidential information about proposed new tenancies and other opportunities and threats relating the Council's commercial properties.

Options

6. The Sub-Committee has two options:
Option 1: To accept the report.
Option 2: To request additional information before accepting the report.

Legal Implications

7. There are no direct legal implications arising from this report.

Financial Implications

8. Information about Property rental yields is set out at Annex 1.
9. Updates on rental income forecasts compared to the approved budget are included in the quarterly budget monitoring updates to Overview & Scrutiny Committee and Executive.

Equalities Implications

10. There are no direct equalities implications arising from this report.

Communication Implications
11. There are no communications implications arising from this report.
Environmental Sustainability Implications
12. There are no direct environmental sustainability implications arising from this report
Risk Management Considerations
13. The risks associated with commercial property rental yields are set out in the report.
Policy Framework
14. The Council's commercial property ownership supports the delivery of Corporate Plan objectives to drive the continued economic prosperity of the borough, facilitate improved business infrastructure, and confirm the borough's reputation as a great place to do business.
15. The generation of a rental income stream from commercial and other Council-owned property is also consistent with the objectives of the Asset Management Plan 2023 - 2028 and the Commercial Strategy.
Background Papers
None
ANNEXES
1. Commercial Property Quarterly Report Q3 2023-24