



Notice of Meeting of

PROPERTY AND INVESTMENTS EXECUTIVE SUB-COMMITTEE

Monday, 15 April 2024 at 10.00 am

John Meikle Room, The Deane House, Belvedere Road, Taunton TA1 1HE

To: The members of the Property and Investments Executive Sub-Committee

Chair: Councillor Bill Revans

Councillor Liz Leyshon Councillor Richard Wilkins Councillor Ros Wyke
Councillor Sarah Wakefield

For further information about the meeting, including how to join the meeting virtually, please contact democraticservicsteam@somerset.gov.uk

All members of the public are welcome to attend our meetings and ask questions or make a statement **by giving advance notice** in writing or by e-mail to the Monitoring Officer at email: democraticservicsteam@somerset.gov.uk by **5pm on Tuesday 9 April 2024**.

This meeting will be open to the public and press, subject to the passing of any resolution under the Local Government Act 1972, Schedule 12A: Access to Information.

The meeting will be webcast and an audio recording made.

Issued by (the Proper Officer) on 5 April 2024

AGENDA

**Property and Investments Executive Sub-Committee - 10.00 am Monday, 15
April 2024**

Public Guidance Notes contained in Agenda Annexe

7 - 8

Click here to join the online meeting

1 Apologies for Absence

To receive any apologies for absence.

2 Minutes from the Previous Meeting (Pages 9 - 14)

To approve the minutes from the previous meeting.

3 Declarations of Interest

To receive and note any declarations of interests in respect of any matters included on the agenda for consideration at this meeting.

(The other registrable interests of Councillors of Somerset Council, arising from membership of City, Town or Parish Councils and other Local Authorities will automatically be recorded in the minutes: [City, Town & Parish Twin Hatters - Somerset Councillors 2023](#))

4 Public Question Time

The Chair to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public who have submitted any questions or statements, please note, a three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue.

We are now live webcasting most of our committee meetings and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, please see details under 'click here to join online meeting'.

5 Review performance indicators for the Investment Portfolio and main risks to the programme (Pages 15 - 20)

To receive a report on the key performance indicators for the asset management of the Investment Property Portfolio.

6 Revision to the scope of the Investment portfolio (Pages 21 - 28)

To consider governance arrangements and additions and removal of property from the investment portfolio.

Exclusion of the Press and Public

29 - 30

PLEASE NOTE: Although the main report for this item not confidential, supporting appendices available to Members contain exempt information and are therefore marked confidential – not for publication. At any point if Members wish to discuss information within this appendix then the Executive will be asked to agree the following resolution to exclude the press and public:

Exclusion of the Press and Public

To consider passing a resolution having been duly proposed and seconded and in accordance with Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, that the press and public be excluded from the meeting during consideration of those parts of this agenda item which relate to exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

Reason: Information relating to the financial or business affairs of any particular person (including the authority holding that information).

7 Report on Investment Property Disposals (Pages 31 - 36)

To consider the Confidential Report.

8 Update on Asset Investment (Pages 37 - 42)

To consider the Confidential Report.

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Guidance notes for the meeting

Council Public Meetings

The legislation that governs Council meetings requires that committee meetings are held face-to-face. The requirement is for members of the committee and key supporting officers (report authors and statutory officers) to attend in person, along with some provision for any public speakers. Provision will be made wherever possible for those who do not need to attend in person including the public and press who wish to view the meeting to be able to do so virtually.

Inspection of Papers

Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at democraticserviceteam@somerset.gov.uk or telephone 01823 357628.

They can also be accessed via the council's website on [Committee structure - Modern Council \(somerset.gov.uk\)](#)

Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be viewed at: [Code of Conduct](#)

Minutes of the Meeting

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting.

Public Question Time

If you wish to speak or ask a question about any matter on the Committee's agenda please contact Democratic Services by 5pm providing 3 clear working days before the meeting. (for example, for a meeting being held on a Wednesday, the deadline will be 5pm on the Thursday prior to the meeting) Email democraticserviceteam@somerset.gov.uk or telephone 01823 357628.

Members of public wishing to speak or ask a question will need to attend in person or if unable can submit their question or statement in writing for an officer to read out, or alternatively can attend the meeting online.

A 20-minute time slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been agreed. Each speaker will have 3 minutes to address the committee.

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish. If an item on the agenda is contentious, with many people wishing to attend the meeting, a representative should be nominated to present the views of a group.

Meeting Etiquette for participants

Only speak when invited to do so by the Chair.

Mute your microphone when you are not talking.

Switch off video if you are not speaking.

Speak clearly (if you are not using video then please state your name)

If you're referring to a specific page, mention the page number.

There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

Exclusion of Press & Public

If when considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask participants to leave the meeting when any exempt or confidential information is about to be discussed.

Recording of meetings

The Council supports the principles of openness and transparency. It allows filming, recording, and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting.



Minutes of a Meeting of the Executive Property and Investments Sub-Committee held in the John Meikle Room (and the Victoria Room), The Deane House, TA1 1HE on Thursday 29 February 2024 at 10.00am

Present:

Cllr Liz Leyshon (Chair)

Cllr Richard Wilkins

Cllr Sarah Wakefield

Cllr Ros Wyke

In attendance:

Cllr Steve Ashton

Cllr Mandy Chilcott

Cllr Bob Filmer

Cllr Mike Murphy

Cllr Norman Cavil

Cllr Simon Coles

Cllr Henry Hobhouse

Other Members present remotely:

Cllr Tony Lock

1 Apologies for Absence - Agenda Item 1

Apologies were received from Cllr Bill Revans.

2 Minutes - Agenda Item 2

The minutes were agreed as an accurate record of the meeting and signed by the Chair subject to Cllr A Sully being added to the list of attendees, Cllr B Filmer's attendance being in-person and the correction of a typographical error.

3 Declarations of Interest - Agenda Item 3

Ros Wyke - Westbury-sub-Mendip Parish Council

4 Public Question Time - Agenda Item 4

At the invitation of the Chair, Alison Morgan addressed the Sub-Committee and raised a number of points as detailed in Appendix A to these minutes.

5 Acknowledge Non-Treasury Investment Strategy - Agenda Item 5

At the invitation of the Chair, the Executive Director – Resources and Corporate Services, Jason Vaughan, introduced the item noting: that the Policy had been considered by the Executive and approved by Full Council; and that a new strategy had been made necessary due to the intention to dispose of the Council's commercial property portfolio.

The Deputy Leader noted the Full Council amendment to request a review of the Strategy at the Financial Year mid-point.

Following disruption in the room the meeting was adjourned at 10.19 and re-started at 10.30

The Deputy Leader informed all present that meeting would again be suspended in the event of any further disruption.

Following a further disruption in the room the meeting was again suspended at 10.31 and re-started 10.51

The Deputy Leader informed all present that agenda item 6 – Review of Performance Indicators for the Investment Portfolio and main risks to the programme would now be considered as the final item on the meeting agenda.

6 Exclusion of the Press and Public - Agenda Item 7

Having been duly proposed and seconded, the sub-committee proceeded to vote on a proposal to enter confidential session.

Exclusion of the Press and Public

The Executive sub-committee RESOLVED to pass a resolution under Schedule 12A of the Local Government Act 1972 to exclude the press and public from the meeting, on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, within the meaning of Schedule 12A to the Local Government Act 1972.

Due to the disruption in the John Meikle Room, the meeting was moved to the Victoria Room

7 Market overview, disposal strategy and Decision for Investment Property Disposal - Agenda Item 8

The sub-committee proceeded to discuss this confidential item with officers providing responses as appropriate.

8 Asset Management Invest to grow recommendations - Agenda Item 9

The sub-committee proceeded to discuss this confidential item with officers providing responses as appropriate.

9 Marketing of Asset - Agenda Item 10

The sub-committee proceeded to discuss this confidential item with officers providing responses as appropriate.

10 Review of performance indicators for the Investment Portfolio and main risks to the programme - Agenda Item 6

At this point the confidential session ended and the meeting returned to public session.

The Commercial Property and Land Development Manager, Robert Orrett noted: the previous agreement of the performance measures; that voids were currently in excess of 10% which is a higher than deemed acceptable; the potential for a measure of rent arrears; and the risk that much reporting work remains subject to manual processes.

Members proceeded to debate the report and raised a number of points including: the potential for monies to still be paid into bank accounts belonging to predecessor council's; the potential to outsource some rent collection work; and the key role of the Commercial Property and Land Development Manager and difficulty in recruiting individuals with relevant skills.

In response officers noted: outsourcing of work for properties with multiple tenants was being considered; that property management firms will present records in a format which is familiar to potential buyers.

Meeting Ended: 12:58

Chair

Appendix A – Public Question from Alison Morgan – Council Sale of 600 Aztec West

- As a Somerset resident I was sickened to learn that my council is landlord to the Israeli weapons manufacturer, Elbit Systems; that its predecessor, Sedgemoor D.C. had invested council funds in the site at Aztec West in 2020, knowing who its sitting tenant was and what that company does; and that Sedgemoor D.C. proceeded with that purchase despite opposition from Labour councillors making it clear that this was an unethical investment. And that when Somerset council came into being last year, you did not reconsider your position as landlord taking over this lease, but simply continued taking rent money generated from Israel's occupation and war crimes against the Palestinian people.
- Any investment in the arms industry would be bad enough, but even worse – Elbit Systems is part of Israel's biggest private arms company. Elbit supplies the Israeli military with drones, bullets, tanks, and even weapons such as cluster bombs and white phosphorus that are illegal under international law, and Iron Sting missiles that are designed to cause chemical burns through the victims flesh.
- Elbit manufactures and trials its products in close cooperation with the Israeli military, using Palestinian civilians as their test subjects. Israeli arms companies like Elbit have a Unique Selling Point – they are sold as battle tested to other oppressive regimens - tested on Palestinian civilians in Gaza and the West Bank.
- When Sedgemoor D.C. bought the site at Aztec West, and when Somerset inherited it, Israel had illegally occupied the West Bank, Gaza and East Jerusalem for over 50 years – probably the most brutal and oppressive occupation in history. It is well recognised and documented by Amnesty International, Human Rights watch and B'Tselem, that Israel has been operating an Apartheid state since 1967. And Israel has been besieging Gaza since 2007, turning it into an open prison and mercilessly bombing its people every 2-4 years – operations that the Israeli government describes as 'mowing the lawn'. Everything about Israel's occupation of the Palestinians violates international law on a daily basis.
- I have personally spent a lot of time in the occupied West Bank over the last 12 years, and as a human rights observer, I have witnessed firsthand Israel oppression and abuse of Palestinians providing non-violent protective presence to Palestinian communities.
- My duties have included providing protective presence to Palestinian children just walking to school. I have seen how children in villages up and down the West Bank are harassed, tear-gassed, attacked and abducted by the Israel

soldiers every day. I saw Israeli soldiers, simply grabbing a young boy of 12 as he walked to school in Hebron.

- Every year, the Israeli military abduct a quota of 6-800 children from the West Bank. Many of them are taken from their beds in the middle of the night, beaten and abused and imprisoned by an apartheid legal system that affords Palestinians no rights.
- In 2013, I was in Aida refugee camp in Bethlehem, occupied West Bank, when there was an Israeli military incursion with IDF soldiers using the camp for an exercise, with highly trained snipers shooting at unarmed children and youths at close range. I saw five young boys get shot in the legs by snipers that afternoon. A month after I returned home, a 13 year old was shot dead at close range.
- In December 2013 I witnessed another Israeli military exercise, in which 5000 troops invaded a poor rural village, throwing families out of their homes in the middle of the night in bad weather, and bombing the Bedouin pastoralists in their grazing lands.
- Now Israel is carrying out a genocide and ethnic cleansing of the 2.3 million Palestinians in Gaza – slaughtering defenceless civilians and children in tens of thousands, targeting hospitals, schools, mosques and churches, UN Workers, journalists and medics.
- By buying the Aztec West site with Elbit as your tenant and continuing this lease to the present day, you are complicit in Israel's war crimes, and you have made the ordinary people of Somerset complicit.
- I understand that you now plan to sell the Aztec West site – not because you have suddenly developed an ethical sense but because of financial necessity.
- But this is not enough. It is not enough to just pass the problem on for another unethical investor to make money out of Palestinian suffering. It does not absolve you or us of our responsibilities to humanity.
- And as British people we have a very particular responsibility to the Palestinians, as it was the British government that gave away their country to Zionist settlers, leading to the ethnic cleansing of 750,000 Palestinians in 1948 and all the suffering that has followed.
- Somerset Council has a responsibility to terminate the lease and evict Elbit immediately, before selling the site.
- I understand that you are concerned about the loss of rent and possible legal issues and costs associated with breaking the lease, but there are bigger legal issues in play now: In view of the International Court of Justice ruling on 26th January, Somerset Council and the British Government are currently complicit in genocide and Britain is breach of duties as a party to the Genocide Convention.

Decision Report – Property and Investments Executive Sub-Committee

Decision Date – 15 April 2024

Key Decision – no



Review performance indicators for the Investment Portfolio and main risks to the programme

Executive Member: Lead Member for Economic Development, Planning & Assets

Lead Officer: Oliver Woodhams, Strategic Asset Management Service Director

Author: Robert Orrett

Contact Details: Robert.Orrett@somerset.gov.uk

Summary / Background

1. The role of the Sub-Committee is to ensure the Council has appropriate governance arrangements in place to protect and maintain the value of the Council's non-treasury and commercial investments, and to deal with real and personal property disposals or acquisitions and other matters within the scope of the Non-Treasury Management Investment Strategy (the Strategy).
2. Performance indicators recommended for monitoring by the Sub-Committee on a quarterly basis are:
 - a. Total contracted annual income.
 - b. Void measure (vacant units) as a percentage of rent.
 - c. Rent arrears measure – debtor percentage.
 - d. Progress with property disposals - to be reported in confidential session at future meetings.

Recommendations

3. That the Property and Investments Executive Sub-Committee:
 - a. Consider the performance indicators for the asset management of the Commercial Investment Portfolio for Q4 2023/24:

Indicator	Measure	Q4 2023/24	Comments
Total contracted annual income		£18,787,500	Unchanged due to rent free

			periods on lettings
Voids	Vacant units as a percentage of total rental value	6.5%	Reduced from 9.1% following lettings at Imperial House and Alchemy
Rent arrears		Not available	

- b. Agree to align future meeting dates to enable KPI updates to be completed prior to publication of meeting reports.
- c. Consider the main risks to the programme set out under paragraph 10 below.

Reasons for recommendations

- 4. The terms of reference for this executive sub-committee include: The Sub-Committee will be responsible for establishing, maintaining and monitoring arrangements to ensure that the routine management of tenancies and licences within the Portfolio, is handled in a robust and agile manner and delegated appropriately and that adequate financial provision is made to meet the Council’s responsibilities under such tenancies and licences.
- 5. The range performance indicators used in this report were approved by the Sub-Committee at its meeting on 21 December 2023. For this meeting, there was insufficient time at the end of the quarter period for the manual checks to be carried out and full KPI update to be completed and checked before reports needed to be available for review.
- 6. Rental voids have reduced following recent completion of two lettings. One for the whole of Imperial House, Newport, and also for Ground Floor East, Alchemy, Welwyn Garden City. These do not change the immediate contracted rental income as there are initial rent free period. But the future rent total is increased and these will also help improve sale prices.

Other options considered

7. Other key indicators that could have been recommended include total capital value of the portfolio compared with either purchase prices or previous valuation, or latest weighted average unexpired lease term (WAULT). Production of this data would consume a large amount of officer time or require the council to incur substantial fee cost to obtain the advice externally. The agreed performance indicators were acknowledged to represent the appropriate balance for robust monitoring relative to resource implications.

Links to Council Plan and Medium-Term Financial Plan

8. These arrangements form part of the steps being taken to deliver the Council Plan and as part of the Financial Emergency Strategy.

Financial and Risk Implications

10. The following risks have been identified for the Investment Asset Programme:

Risk Description	Risk Outcome / Impact and Probability Assessment	Impact (5 = Critical 1 = Low)	Probability (5 = High 1 = Low)	PRIORITY (Impact multiplied by Probability)	Mitigation
Officer team resources	Key officers leaving at short notice due to any circumstances, may impact programme timings and outcomes.	3	4	12	Expand external adviser activity and if required appoint a different internal client. Complete the Strategic Assets Management service restructure in an orderly manner without delays.
Financial target timings changing	Phased sales target cannot be met so further assets needing to be sold earlier than planned	3	4	12	Carry out asset management more quickly and be ready to sell phase 2 & 3 if required
Market weakening further	Reduces receipts from Property planned to be disposed of in future years	5	2	10	Consider bringing forward further early sales
National and International elections affecting	Reduced value of sales and cost of borrowing for rest of portfolio	3	3	9	Maintain awareness of macroeconomic conditions and reviewing against targets

macroeconomic conditions					
Commercially sensitive details are unintentionally made public	Potential buyers or tenants being aware of the council's commercial position, leading to sub-optimal financial outcomes	2	4	8	Discuss commercially sensitive details only in confidential sessions of sub-committee, attendance in-person only. Stress importance of confidentiality to attendees.
Dependency on internal teams not prioritising project needs	Control Boards approval and PO processing teams	2	3	6	Discuss priorities and gain exemptions as appropriate
Council governance mechanics	Decision process holding up sales	2	3	6	Gaining prior approval to sales over a certain price without further key decision reports being needed. Planning executed deeds in advance to ensure prompt execution.

Legal Implications

- There are no immediate Legal implications beyond the professional activities required when transacting on lease revision matters or disposals and acquisitions.

HR Implications

- There are no immediate HR implications.

Other Implications:

Equalities Implications

- There are no direct equalities implications.

Community Safety Implications

- There are no direct Community Safety implications.

Climate Change and Sustainability Implications

16. There are no direct Climate Change and Sustainability implications.

Health and Safety Implications

17. There are no direct Health and Safety implications.

Social Value

18. There are no direct Social Value implications.

Scrutiny comments / recommendations:

19. The Task & Finish Group set up to scrutinise the plans for the disposal of the commercial investment portfolio met three times during October and November and a report of their findings was submitted to the 4th January Scrutiny Committee for Corporate & Resources. [Report of the Task and Finish Group for Commercial Investment Asset Realisation – November 2023](#)

Background

20. The Council's Medium-Term Financial Strategy (MTFS) provides a strategic financial framework and a forward-looking approach to achieving financial sustainability and was approved by Full Council in February 2024. Various measures are in hand to address the predicted shortfall between the resources available and the cost of current service. Amongst the range of actions being taken to close the forecast budget gap for 2024/25 is that revenue spend would be capitalised in accordance with the Capitalisation Directive from DLUHC of £36.9m.
21. The Team is progressing work to consolidate rent collection and property accounting with a single external managing agent. This will allow the work to be carried out using dedicated investment property accounting systems, with property finance teams who just do this dedicated type of work. There will also be a capacity gain when disposals come on stream to optimise ability to respond to buyer requests for information, present rent history in a format widely used for investors. The resource capacity will also be important for the asset transfer stage and closing down our residual exposure.

Background Papers

None

Appendices

None

Assurance checklist

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	28/3/2024
Communications	Peter Elliott	N/A
Finance & Procurement	Nicola Hix	3/4/2024
Workforce	Alyn Jones	3/4/2024
Asset Management	Oliver Woodhams	2/4/2024
Executive Director / Senior Manager	Oliver Woodhams	2/4/2024
Strategy & Performance	Alyn Jones	Sent 27/3/2024
Executive Lead Member	Cllr Ros Wyke	3/4/2024
Consulted:	Councillor Name	
Local Division Members	N/A	N/A
Opposition Spokesperson - for information	Cllr Mark Healey for Prosperity, Assets and Development	02/04/2024
Scrutiny Chair - for information	Cllr Bob Filmer - Scrutiny Committee - Corporate & Resources	02/04/2024

Decision Report – Property and Investments Executive Sub-Committee

Decision Date – 15 April 2024

Key Decision – no



Revision to the scope of the Investment portfolio

Executive Member: Lead Member for Economic Development, Planning & Assets

Lead Officer: Oliver Woodhams, Strategic Asset Management Service Director

Author: Robert Orrett

Contact Details: Robert.Orrett@somerset.gov.uk

Summary / Background

1. The Property and Investments Sub-Committee agreed the scope of the assets in the Commercial Investment Portfolio at its inaugural meeting on 29th December 2023.
2. This report recommends the revision of that scope to:
 - a. include The Northgate Yard, Bridgwater
 - b. include Aspen Court, Wembden Street, Bridgwater
 - c. exclude 88-92 Middle Street, Yeovil.
3. The Northgate Yard development was constructed by Somerset Council (formerly Sedgemoor District Council and was completed in 2023. It comprises of a 40,000 sq ft scheme, features a 7-screen cinema, 8-lane bowling alley and four bar / restaurants units, two pop up units, with 115 car parking spaces, a children's play park and open space.
4. Aspen Court, consists of 36 flats, 10 of which are currently leasehold. The property is owned by Aspen Housing and Development Limited, ultimately governed by Somerset Council through a Shareholder Agreement. Management of the company is carried out by a board of 3 directors appointed by the Council. The company was incorporated in 2016 by the former Sedgemoor District Council and Aspen Court is its only owned asset.
5. 88-92 Middle Street, Yeovil is vacant and is seen as an important strategic parcel within any regeneration strategy for that part of Yeovil. As such it is recommended to be retained by the Council and the governance of the asset transferred from this Sub-Committee to the Asset Management Forum.

Recommendations

6. That the Property and Investments Executive Sub-Committee:
 - a. Agrees the revised schedule of assets in Appendix A as being the revised scope of the Non-Treasury Commercial Asset Portfolio. Including the addition of Northgate Yard, Bridgwater, Aspen House, Bridgwater to the schedule and the deletion of 88-92 Middle Street, Yeovil from the schedule.
 - b. To transfer the governance overview of the asset management of 88-92 Middle Street, Yeovil to the Asset Management Group

Reasons for recommendations

7. The terms of reference for this executive sub-committee include: The Sub-Committee will be responsible for establishing, maintaining and monitoring arrangements to ensure that the routine management of tenancies and licences within the Portfolio, is handled in a robust and agile manner and delegated appropriately and that adequate financial provision is made to meet the Council's responsibilities under such tenancies and licences.
8. Northgate Yard, Bridgwater is a recently completed leisure development by the council comprising a 40,000 sq ft scheme, including 7-screen cinema, 8-lane bowling alley and four bar / restaurants units, two pop up units, with 115 car parking spaces, a children's play park and open space. The project was undertaken as a regeneration project to benefit local residents and help the economy of Bridgwater. Following completion of the construction most of the units within the scheme are now let. Future management aligns with investment property assets.
9. Aspen Court, Wembdon Road, Bridgwater is owned by Aspen Housing and Development Limited, which is ultimately wholly within the control of the council. The property was constructed in 1988 and is a three residential building. It contains 36 one and two bed flats, with twelve flats on each floor - six flats on each of two wings. Each wing is accessed from a central core, with a single passenger lift and a stairwell around an indoor garden. 10 of the flats are subject to long leasehold interests, the remainder are let on assured shorthold tenancies. Future management aligns with company owned investment assets, which are under the governance of this Sub-Committee.

10. 88-92 Middle Street, Yeovil is a large building on an irregular shaped site on the east side of the town Centre. Originally built as a Tesco supermarket, it was acquired by South Somerset District Council let to Wilkinson Hardware Stores Limited (Wilko). The company appointed administrators in August 2023. Following unsuccessful attempts to find a buyer for all or parts of the business, the decision was made to close all stores. This area of the town continues to be a focus for regeneration. The property adjoins other council owned land as well as third party owned property in need to new uses.

Other options considered

11. Disposing or leasing part of the 88-92 Middle Street, Yeovil. The impact to any future regeneration of this area of Yeovil would be negatively impacted by disposing of the building. The commercial value of the building as a vacant asset is very low.

Links to Council Plan and Medium-Term Financial Plan

12. These arrangements form part of the steps being taken to deliver the Council Plan and as part of the Financial Emergency Strategy.

Financial and Risk Implications

- 13 The following risks have been identified for the Investment Asset Programme:
 - a. Adding Northgate Yard, Bridgwater will bring the responsibility for concluding the final letting discussions and transactions to the Commercial Investment team, along with responsibility for the overall asset management.
 - b. Asset Management of Aspen Court will remain with Homes in Sedgemoor through the existing SLA.
 - c. Removal of 88-92 Middle Street, Yeovil from the Non-Treasury Commercial Asset Portfolio removes the residual asset value from the portfolio. It also transfer the vacant property management and future approach to any re-purposing.

Legal Implications

14. There are no immediate Legal implications beyond the professional activities required when transacting on lease revision matters or disposals and acquisitions.

HR Implications

15. There are no immediate HR implications.

Other Implications:

Equalities Implications

16. There are no direct equalities implications.

Community Safety Implications

17. There are no direct Community Safety implications.

Climate Change and Sustainability Implications

18. There are no direct Climate Change and Sustainability implications.

Health and Safety Implications

19. There are no direct Health and Safety implications.

Social Value

20. There are no direct Social Value implications.

Scrutiny comments / recommendations:

21. The Chair of Scrutiny Committee for Corporate and Resources has been informed.

Background Papers

None

Appendices

- Appendix A: List of property constituting the Investment Portfolio April 2024

Assurance checklist

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	27/3/2024
Communications	Peter Elliott	N/A
Finance & Procurement	Nicola Hix	3/4/2024
Workforce	Alyn Jones	3/4/2024
Asset Management	Oliver Woodhams	3/4/2024
Executive Director / Senior Manager	Oliver Woodhams	3/4/2023
Strategy & Performance	Alyn Jones	Sent 27/3/2024
Executive Lead Member	Cllr Ros Wyke	3/4/2024
Consulted:	Councillor Name	
Local Division Members	N/A	N/A
Opposition Spokesperson - for information	Cllr Mark Healey for Prosperity, Assets and Development	02/04/2024
Scrutiny Chair - for information	Cllr Bob Filmer - Scrutiny Committee - Corporate & Resources	02/04/2024

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Property Identifier	Postal Address	Postal Town	Postcode	County	Sector	Tenure
Wickes Extra	Tameside Park	Birmingham	B42 2ET	Birmingham City	Retail	Freehold
Lyndon Place	2096 Coventry Road, Sheldon	Birmingham	B26 3YU	Birmingham City	Other	Freehold
54 Willis Way, Poole	54 Willis Way	Poole	BH15 3SY	Bournemouth Christchurch and Poole	Other	Freehold
The Ralph	Globe Business Park, Fourth Avenue	Marlow	SL7 1YG	Buckinghamshire	Other	Freehold
Audi, Cardiff	Wagtail Close	Cardiff	CF23 8RT	Cardiff	Other	Freehold
430 Bristol Business Park	Coldharbour Lane	Bristol	BS16 1EJ	City of Bristol	Office	Freehold
Applegreen Petrol Filling Station, Bristol	Gloucester Road, Horfield	Bristol	BS7 8NL	City of Bristol	Other	Freehold
600-650 Aztec West, Bristol	600-650 Aztec West	Bristol	BS32 4SD	City of Bristol	Office	Freehold
Boots, Truro	93/94 Pydar Street	Truro	TR1 2BD	Cornwall	Retail	Freehold
Cornwall Food Production Unit	Barncoose Industrial Estate, Barncoose	Redruth	TR15 3RQ	Cornwall	Industrial	Freehold
Centurion Mill	Kestrel Way, Sowton Industrial Estate	Exeter	EX2 7LA	Devon	Industrial	Freehold
Howmet Ltd, Sowton, Exeter	Sowton, Exeter	Exeter	EX2 7LB	Devon	Industrial	Freehold
D1 Christchurch Business Park	Radar Way	Christchurch	BH23 4FL	Dorset	Industrial	Freehold
Fenick House	Lister Way	Glasgow	G72 0FT	Glasgow	Office	Freehold
730 Aztec West	Waterside Drive	Bristol	BS32 4UE	Gloucester	Office	Freehold
Units 1 and 2 Barnwood Industrial Estate	Barnwood	Gloucester	GL4 3RT	Gloucester	Industrial	Freehold
Alchemy	Alchemy House, Bessemer Road	Welwyn Garden City	AL7 1HE	Hertfordshire	Office	Freehold
Reflex Group, Barwell	29 Moat Way	Barwell	LE9 8EY	Leicestershire	Industrial	Freehold
Bell House	Seebeck Place, Knowlhill	Milton Keynes	MK5 8FR	Milton Keynes	Office	Freehold
Unit 1 New House Farm Industrial Estate	Mathern	Chepstow	NP16 6UD	Monmouthshire	Industrial	Freehold
Imperial House	Imperial Way, Coedkernew	Newport	NP10 8UH	Newport City	Office	Freehold
Reevesland Industrial Estate	Caswell Way, Reevesland Industrial Estate	Newport	NP19 4YH	Newport City	Industrial	Freehold
North Shields Retail Park	Norham Road	North Shields	NE29 7UJ	North Tyneside	Retail	Freehold
Unit 2B Commerce Park	Commerce Park	Frome	BA11 2FB	Somerset	Industrial	Freehold
Wilko, Yeovil	88-92 Middle Street	Yeovil	BA20 4LF	Somerset	Retail	Freehold
B&Q Glastonbury	Wirrall Park, Wirrall Park Road	Glastonbury	BA6 9XE	Somerset	Retail	Freehold
Northgate Yard	Mount Street	Bridgwater	TA6 3FQ	Somerset	Leisure	Freehold
Unit 1, Dunball Industrial Estate	Trelleborg, Dunball Industrial Estate, Dunball	Bridgwater	TA6 4TP	Somerset	Industrial	Freehold
St John's Retail Park	Priory Way	Taunton	TA1 2BB	Somerset	Retail	Freehold
M&S, Yeovil	5 Middle Street	Yeovil	BA20 1LE	Somerset	Retail	Freehold
Trafalgar House	Cornishway North, Galmington Trading Estate	Taunton	TA1 5LY	Somerset	Industrial	Freehold
Street Retail Park	Gravenchon Way	Street	BA16 0GX	Somerset	Retail	Freehold
Costa Coffee	Wirrall Park, Wirrall Park Road	Glastonbury	BA6 9XE	Somerset	Retail	Freehold
The Leggar Retail Park	The Leggar	Bridgwater	TA6 4AF	Somerset	Retail	Freehold
B&Q, Heathfield Rd	Heathfield Road	Ayr	KA8 9TB	South Ayrshire	Retail	Freehold
Steeleite, Stoke on Trent	Newcastle Street	Stoke-On-Trent	ST6 3RB	Stoke-on-Trent	Industrial	Freehold
DFS, Swindon	Wootton Bassett Road	Swindon	SN5 8WF	Swindon	Retail	Freehold
JLR, Stockton-on-Tees	Concord Way	Stockton On Tees	TS18 3RB	Teeside	Other	Freehold
Reflex Group, Ossett	Smith Way	Ossett	WF5 9JZ	West Yorkshire	Industrial	Freehold
The Range, Pellon Lane	Pellon Lane	Halifax	HX1 5QE	West Yorkshire	Retail	Freehold
27-29 Sherwood Road	27-29 Sherwood Road	Bromsgrove	B60 3DR	Worcestershire	Industrial	Freehold
TK Maxx, Worcester	48-50 High Street	Worcester	WR1 2QB	Worcestershire	Retail	Freehold
The Square car park	Richmond Hill	Bournemouth	BH2 6EJ	Dorset	Other	Leasehold
One Quinton Business Park	The Ridgeway	Birmingham	B32 1AF	Birmingham City	Office	Leasehold
King William House	13 Queen Square	Bristol	BS1 4NT	City of Bristol	Office	Leasehold
Fermentation Building	Hawkins Lane, Redcliffe	Bristol	BS1 6bx	City of Bristol	Office	Leasehold
Jacobs Building (ex. Linden House)	23 Berkeley Place	Bristol	BS8 1EH	City of Bristol	Office	Leasehold
Faringdon Retail Park, Phase II	Henry Blake Way	Faringdon	SN7 7GQ	Oxfordshire	Other	Leasehold
The Clink Retail Park	The Leggar	Bridgwater	TA6 4AF	Somerset	Retail	Leasehold

Battery Energy Storage Schemes

Scheme Identifier	Postal Address	Postal Town	Postcode	Capacity (MW)	Loan amount	Estimated loan balances at 31/3/23	SC Dividend Share
Fideok Mill	Bishops Hull	Taunton	TA4 1AF	28	£13,157,055	£8,120,155	50%
Fareham 1	Tanners Lane	Fareham	PO14 1BL	40	£18,690,000	£16,831,027	65%
Fareham 2	Tanners Lane	Fareham	PO14 1BL	20	£10,630,877	£9,815,602	70%

BESS assets are owned via a JV company structure

SSDC Opium Power Limited 50 shares owned by SC; 50 shares owned by Opium Power Limited

which in turn owns

Fareham Energy Reserve Limited dividend distribution 65/35

Fareham Energy Reserve 2 Limited dividend distribution 70/30

Aspen Court Development Ltd

Scheme Identifier	Postal Address	Postal Town	Postcode	County	Sector	Tenure
Aspen Court	Wemdbden Road	Bridgwater	TA6 7EN	Somerset	Housing	Freehold

Aspen Court Development Ltd is wholly owned by Sedgemoor Group Ltd which is owned by Somerset Council

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Somerset Council



Notice of private meeting

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 – Regulation 5

Following prior publication in the Forward Plan February 2024, in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 – Regulation 5, notice is hereby given that the Executive Sub-Committee is requested to consider agreeing a resolution at its Meeting on 15 April 2024 to exclude the press and public from any part of the meeting where exempt information relating to the items below is to be disclosed:

Report on investment property sales

Executive Member(s): Lead Member for Economic Development, Planning & Assets

Lead Officer: Oliver Woodhams, Strategic Asset Management Service Director

Author: Robert Orrett, Commercial Property and Land Development Manager

Contact Details: Robert.Orrett@somerset.gov.uk

Update on Asset Investment

Executive Member(s): Lead Member for Economic Development, Planning & Assets

Lead Officer: Oliver Woodhams, Strategic Asset Management Service Director

Author: Robert Orrett, Commercial Property and Land Development Manager

Contact Details: Robert.Orrett@somerset.gov.uk

Reasons for the items to be considered in private session at the meeting

Local Government Act 1972 – Schedule 12A

The item is likely to contain information relating to the financial or business affairs of any particular person (including the authority holding that information).

Representations received to hold the item in open session

None.

Council's response to representations received

Not applicable.

Circulation:

All Somerset Council Members
Council's website

5 April 2024

David Clark – Monitoring Officer

For questions about this notice please contact Mike Bryant, Democratic Services, County Hall, Taunton, TA1 4DY.

Tel: 01823 357628 Email: mike.bryant@somerset.gov.uk

By virtue of
Regulation 21(1)(A) of the Local Authorities (Executive
Arrangements) (Access to Information) (England)
Regulations 2000.

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