

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