

Asset Management & Commercialisation

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Asset Management – What Next? Strategic Context

- Collaboration – draft Local Government & Elections (Wales) Bill
- Climate Emergency & Prosperity for Wales: A Low Carbon Wales
- Housing land – Affordable Housing Supply Review
- Band B 21st Century Schools
- CPO – Devolved powers
- Targeted Regeneration Investment Fund (TRI)
- City Deals



Asset Management – What Next?

Continued Austerity means:

- Rationalisation
- Service Re-designs
- Agile Working
- Technology – BIM, valuation software, AI
- Skills & capacity gaps
- Legacy investment property portfolio reviews



Surrey CC reveals plans to scrap 200 council buildings and relocate its HQ to save £10m a year

25.04.19: Surrey County Council has unveiled plans to scrap around 200 of its buildings and move to a new HQ in a bid to save tens of millions of pounds. Guildford and Woking have emerged as the frontrunners to host Surrey's new "civic he..."



Commercialisation – before you start

Be clear of required outcomes:

- Income or policy objectives
- Funding :- Reserves v Borrowing
- Governance structure & scrutiny
- Limited to democratic boundaries or broader
- Skills gap?
- Powers
- Illiquidity /REITs

CIPFA warns councils over serious commercial activity concerns

By: [Dominic Brady](#) | 18 Oct 18

CIPFA is to work on fresh guidance over concerns councils in England are putting public funds at “unnecessary or unquantified risk” when borrowing to invest in commercial property.



The screenshot shows the BBC News website interface. At the top, there is a navigation bar with the BBC logo, a 'Sign in' button, and links for News, Sport, Weather, iPlayer, and Sounds. Below this is a large red banner with the word 'NEWS' in white. Underneath the banner is a secondary navigation bar with links for Home, UK, World, Business, Politics, Tech, Science, Health, and Family & Education. A third navigation bar is visible, with 'Wales' highlighted and links for Wales Politics, Wales Business, North West, North East, Mid, and South West. The main content area features a headline: 'Newport Leisure Park bought by Monmouthshire council for £21m'. Below the headline, the date '11 March 2019' is displayed, along with social media sharing icons for Facebook, Messenger, Twitter, Email, and a general 'Share' button.



Risk Aware not Risk Adverse

- Local market & sector macros
- Risk appetite & portfolio blend
- Financial criteria –yields, covenants, lease terms & events
- Exit strategy
- Opportunities – lease re-gearing, additional development
- Due diligence
- Good advisors essential
- **Estate Management post acquisition**



What Next?

- Arms length Housing / Development Companies
- Supply chain development & offsite manufacturing
- Local energy companies & renewable generation
- Commercial builds to align with LDP's, Regional Spatial Plan & Economic Development Strategies



THE END!!!

Thank You! Any Questions?



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