



*A great place to live, work & play*

# Richard Bradley

## Commercial Director

## Scarborough Borough Council

# Scarborough Borough Council

- Commercial Strategy
  - Income generation
  - Corporate Modernisation
  - Economy & regeneration
  - Investment strategy
- Property Investment Strategy
- Case study
- Next steps

**Council Plan**

**MTFP**

**Commercial Strategy**

**Income Generation**

**Corporate  
Modernisation**

**Economy &  
Regeneration**

**Investment Strategy**

**Income  
Generation**

Fees, Charges, Trading, Services, Value Chains, Demand management, Retention, win back & conversion rates, Procurement & Contract Management

**Corporate  
Modernisation**

Unit Costs, Market Analysis, Full cost recovery, Benchmarking, Business Model Canvass, Alternative delivery models, Engagement, training & One Council culture, Technical & professional skills

**Economy &  
Regeneration**

Economic growth, Development linked to Local Plan, Business Rates retention, Employment & skills, Housing Regeneration: Growth in NHB & CTR, 'Smart City' thinking

**Investment  
Strategy**

Asset Challenge, Regeneration & Development focused, Investment income, Local asset backed vehicles, Joint ventures & ADM's, One Public Estate

# Property Investment Strategy

- An innovative and creative strategy
- Significant research & development
- Purchase investment property across *'the wider economic partnership region'*
- Achieve capital receipts for reinvestment in new assets through rationalising & asset challenge
- Statutory Guidance on investment decisions
- Cabinet & Council approval May 2018
- Room 151

# Decision Making & Governance

- Necessary to strike a balance between the agile decision making mechanism required to operate in a fast moving commercial market and the need for a robust governance and assurance framework to effectively manage risk and protect public money



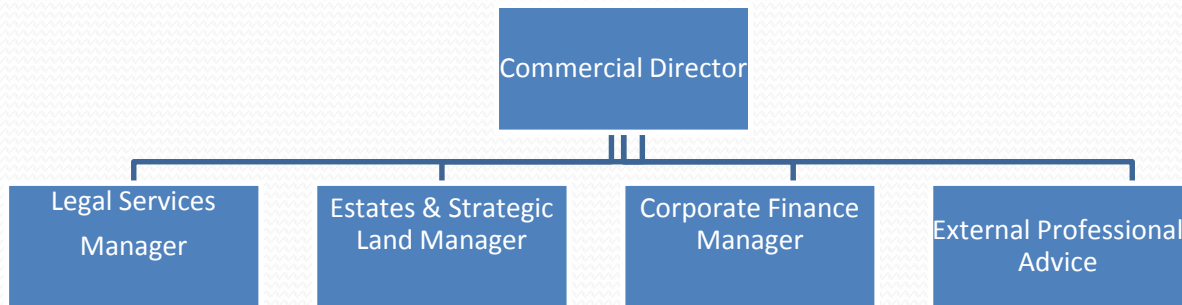
# Decision Making & Governance

- Timely decision making
- Essential in this type of industry
- All executive decisions delegated to the Commercial Director
- Subject to strategy criteria, business case and risk assessment
- Due regard to the recommendation of the Property Investment Governance Board

# Property Investment Governance Board



# Property Selection Team



# Case Study

- £14 million freehold purchase with 25+25 year lease to Travelodge group
- Full repair and insurance, upward only 3 year rent review
- £877k per annum rent
- Above industry average yield, occupancy rates
- Very strong covenant strength, highest D&B rating
- Internal and external expertise
- Strategy development – Council approval – purchase complete = 6 months
- Subject to ‘*Call In*’ – full Member support of original decision
- Positive media – local & Property Week, MJ



# Next Steps

- £20 million student / NHS 200 unit accommodation
- Linked to Town Centre Strategy
- 10+10 year FRI lease, turn-key development with RPI uplift
- Further £3m LEP & £2m Heritage Action Zone



