

Council Investment Strategy

Warrington Council
and how we deliver
on property
investment



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Investment Strategy

- Why we do it?
- How we do it?
- What have we done?



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Investment Strategy – Why?

- Why does Warrington Council invest in the property market, housing and green energy?



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How do we do it?

- Compliance
- Legal Powers
- Transparency
- Proportionality
- Due diligence
- Business Case



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How do we do it?



- External professional advice
- Overlap the advice
- Risk Registers & workshops
- Risk
- Agreed process
- Audit involvement & challenge



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What have we done?

- Traditional Property Investment
- Solar “green energy” Investment
- Investment loans to Housing Associations



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Property Investments

- Property Investment Strategy
- Warrington focus
- Balanced portfolio
- Shopping centres?
- Financial success



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Property Investments



- Organisational support
- Public sector pace
- Robust process and procedure
- Commercial market confidence
- Respect and communication



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Birchwood Park

123 acres
165 businesses
1.2 million square feet
35 acres development land

M62 J11

M62 J11

M6



Birchwood Park

Significant rental income
Nuclear industry hub
Strong business tenants



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Birchwood Park



- Acquisition of a regional and high profile business park driven by our Property Investment Strategy
- Prudence and affordability the key drivers
- The largest acquisition of its kind ever undertaken by the Council
- Over £5m net benefit for 2018/19
- Robust governance and leadership structures in operation



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Stobart HQ Appleton M56



Stobart HQ Appleton M56



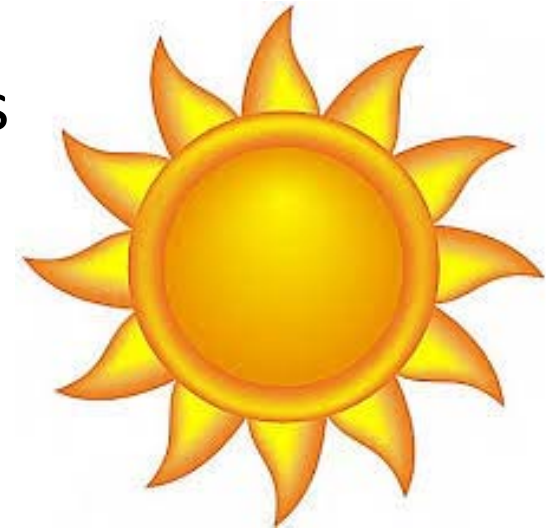
- 18 acres
- Key motorway location
- Long lease with good covenant
- Financial strength
- Prudence and affordability the key drivers
- Market bid competition



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Solar Investments

- Solar roof panels on 2,500 local homes
- Residents save money
- Financial and political success
- Community Energy Company – solar investment bonds



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Solar Investments



- Historical solar bonds
- Market corrections
- Commercial market adapted
- Focus on bigger projects
- APSE assistance – development of new opportunity



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Housing Association Loans

- 16 Housing Associations
- Loan facility available
- Active loans
- North west focus



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Housing Association Loans



- Due diligence
- Loan to value
- Valuation for security
- Title charge
- Loan compliance standards



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Housing Association Loans

- Net income from interest charge
- Arrangement fees
- Commercial facility
- Supporting housing delivery



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How has it turned out?

- Economic growth
- Asset ownership
- We are not perfect
- Net income budget essential



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