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# **Corporate Estate Annual Report**

Overview Select Committee

Date of meeting: 03 November 2022

Lead director/officer: Richard Sword

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### **Useful information**

- Ward(s) affected: All
- Report author: Richard Sword
- Author contact details: Richard.sword@leicester.gov.uk
- Report version number: 0.1

## **1. Summary**

Overview Select Committee will receive a presentation at the meeting on 03 November from the Strategic Director City Development and Neighbourhood Services setting out a summary of the performance of the Council's Corporate Estate for the year ended 31 March 2022.

## **2. Recommended actions**

Overview Select Committee (OSC) are invited to:

- note the performance of the Corporate Estate in relation to its key metrics and its contribution to the Council's revenue budget; and
- consider the wider contribution of the portfolio in supporting the local economy, local businesses and communities, whilst minimising risk to the Council.

## **3. Detailed report**

The City Council holds a diverse portfolio of land and property assets ranging from historic buildings such as the 13th century Guildhall, to the Richard III Visitor Centre - opened in 2014 - alongside the King's burial site. For the most-part however, the estate owned by the City Council is held and managed in order to provide front line services for the city's residents in the form of homes, schools, leisure centres and neighbourhood centres - with parks, playgrounds and open spaces providing areas for leisure and recreation, whilst critical infrastructure such as bridges, footpaths, cycle paths and car parks aid the smooth running of the city.

There is also a grouping of land and property assets – known as the Corporate Estate – that is managed in-house, and provides local businesses with commercial premises, offices, shops, industrial units and workshops, whilst generating an income for the Council to re-invest in its services.

Whilst other investors are significantly influenced by how the market is performing at any given time, as a public body we are able to take a long-term view of the needs of the city – something that other investors are not always able to consider.

The benefits we receive today, in terms of a growth in value and income to the council, along with our ability to bring forward land for redevelopment, are a direct result of the prudent investment and wise management of the Corporate Estate portfolio.

The Corporate Estate Annual Report for the year ended March 2022 shows how the portfolio supports the local economy and local businesses by providing a range of competitively

priced accommodation, and details its performance across a number of key metrics, including value, occupancy, revenue and yield, demonstrating why our long-term views, and balanced approach are working well.

## **6. Financial, legal, equalities, climate emergency and other implications**

### 6.1 Financial implications

The Corporate Estate Annual Report sets out the performance of commercial property held by the Council for use by businesses. These assets are held in line with the Council's Investment Strategy. Income received in any given year will reflect the portfolio of assets that are held along with local market conditions. With income from the Corporate Estate representing around 2% of the Council's net budget, the Council's wider finances are not significantly exposed to changing market conditions.

**Stuart McAvoy – Acting Head of Finance**

### 6.2 Legal implications

There are no direct legal implications arising from the report. The Council must, however, act in accordance with its Constitution and with legislation, including its fiduciary duty to act in the interest of tax payers in its management of the portfolio.

Kevin Carter - Head of Law - Commercial, Property & Planning

### 6.3 Equalities implications

There are no direct equality implications arising from this update report. Many businesses, community and voluntary groups in Leicester contribute to delivering better outcomes for individuals and communities. It is important that the council ensures a common, consistent and transparent approach for all prospective tenants.

**Equalities Officer, Surinder Singh Ext 37 4148**