

## CIPFA Alternative Service Delivery Network (CASDN)

### Playing the Property Investment Game with Confidence

10 October 2019 (London)

Local authorities across the country struggling to make up for budget cuts have been increasingly looking at commercial property investment to help plug the funding gap (according to a survey, the number of councils investing in assets they deemed “investment property” increased from 35 in 2015-16 to 71 in 2017-18). The deep financial constraints has resulted in the risk appetite changing, and many authorities have looked at more commercial avenues to generate additional income streams to ensure vital public services are maintained. Investments are wide ranging and include snapping up shopping centres, car parks and office premises, both in and outside council areas. Investment in property is likely to remain part of many councils’ financial strategies in the foreseeable future. However, research has identified significant gaps in knowledge of local public and private assets. It is therefore essential that practitioners develop clear understanding and approaches to this rewarding, but strategically highly risky area (downturn in the property market or government controls) and learn from previous ‘cautionary tales’.

<b>09.30 – 10.00</b>	<b>Registration and Refreshments</b>
<b>10.00 – 10.10</b>	<b>Welcome, Introductions and Overview of the Day</b>
<b>10.10 – 10.40</b>	<p><b>CIPFA Property Investment Guidance</b></p> <ul style="list-style-type: none"> <li>▪ Background to the CIPFA Prudential and the Treasury Management Codes</li> <li>▪ Prudential Code Objectives</li> <li>▪ Legislative Frameworks for the Prudential Code</li> <li>▪ Capital strategy</li> </ul> <p><b>Sandra Beard, Advisor, CIPFA</b></p>
<b>10.40 – 11.25</b>	<p><b>Practical Approaches to the Development of an Investment Strategy</b></p> <p>Whilst authorities have a long track record of commercial property investments, the market is evolving fast and the stakes are high. This session will offer the building blocks for authorities starting or refreshing their investment strategy. This session will cover role of:</p> <ul style="list-style-type: none"> <li>▪ Portfolio segmentation</li> <li>▪ Develop contextual understanding</li> <li>▪ Performance assessment (existing estate)</li> <li>▪ Developing a Sustainable Investment Framework, Strategy and Plan</li> <li>▪ Methods of determining viability and assessing and managing risk</li> <li>▪ Sustainable Asset Management Process</li> </ul> <p><b>Tim Reade, Head of Property Advisory Services, CIPFA</b></p>
<b>11.25 – 11.40</b>	<b>Refreshments</b>
<b>11.40 – 12.30</b>	<p><b>Local Authority Led Investment &amp; Regeneration – The Costs and Benefits?</b></p> <ul style="list-style-type: none"> <li>• How much are authorities investing by geography and sector?</li> <li>• Why are they investing?</li> <li>• What has been the impact to date – good and bad practice?</li> <li>• Is the model of local authority led investment sustainable?</li> <li>• Are there any other funding sources?</li> </ul> <p><b>Dr Steven Norris BA (Hons) MPhil PhD MRTPI</b></p>
<b>12.30 – 13.10</b>	<b>Lunch</b>

<b>13.10 – 14.00</b>	<p><b>Legal Impact of Council’s acting as Investors and Property Developers</b>  Local authorities are actively snapping up assets from hotels, shopping centres and office premises for a variety of local reasons. Whilst offering potential valuable income stream, it is an area of great speculation and legal considerations are absolutely vital to avoid any nasty shocks. This session will provide offer an:</p> <ul style="list-style-type: none"> <li>▪ Understating the legal position relating to commercial investment</li> <li>▪ Does the Localism Act 2011 give unfettered discretion?</li> <li>▪ Lease and rent traps – unknown future stability trap</li> <li>▪ Determining your optimum legal investment structure</li> <li>▪ Section 12 of the Local Government Act 2003</li> <li>▪ Procurement issues when investing in property</li> </ul> <p><b>Paul McDermott, Partner, Trowers &amp; Hamlins LLP</b></p>
<b>14.00 – 14.40</b>	<p><b>Investing For Income - Good Governance Requirements</b></p> <ul style="list-style-type: none"> <li>▪ Getting governance &amp; resources agreed</li> <li>▪ Key concerns – risks, clear plan</li> <li>▪ Risk return profile</li> <li>▪ Property portfolio process</li> </ul> <p><b>Kevin White, Partner, Strategy &amp; Assets, Montagu Evans</b></p>
<b>14.40- 15.25</b>	<p><b>Tips on Procuring Consultants to Manage your Property Investments</b>  The appointment of a professional advisors to deal with property management of investment acquisitions should ensure the Local Authority benefits from the best practice advise, legal &amp; statutory compliance, financial responsibility and clear and regular reporting. Key issues to consider in a procurement exercise:</p> <ul style="list-style-type: none"> <li>▪ Frameworks and other pre-agree procurement approaches</li> <li>▪ A single v multiple appointments - best value and reporting</li> <li>▪ Appropriate experience and capacity to match property location, sector and size</li> <li>▪ Capability to deliver core services, additional services and add value</li> <li>▪ Timing of appointments – pre acquisition and due diligence</li> <li>▪ Collection of rent, service charge and other monies – RICS Compliance</li> <li>▪ What makes the real difference?</li> </ul> <p><b>Lisa Riva, Senior Partner, Tandem Property Asset Management LLP</b></p>
<b>15.25– 15.30</b>	<b>Summary &amp; Close</b>

### How will I benefit?

This series of events have been designed to provide delegates with all the. It will cover:

- Steps authorities can take to reduce risks from their commercial investment portfolio
- Develop skills to procure the right property consultants
- Understand legal powers and what is the preferred delivery model
- Confidently playing the property game to support successful regeneration and place-making
- How to ensure you select the right development partners and advisors

### Who should attend?

Public sector transformation, asset, investment, commercial managers, accountants, lawyers and finance managers who want to understand implications of property investments.

To secure your place, please book online at - <http://www.cipfa.org/services/networks/alternative-service-delivery-network>

**CIPFA ASDN Members can use unused pre-paid places to attend this event.**

### Enquiries:

If you have any questions about bookings or have any questions regarding the programme, please do not hesitate to contact Mohamed Hans – **E:** Mohamed.hans@cipfa.org **M:** 07717345188

### CIPFA Sustainability Policy

CIPFA Business is delivering all of our training courses, workshops and seminars in accordance with our sustainability strategy. We do provide hardcopy course materials to delegates and these are now distributed by email. We are striving to reduce our carbon footprint every way that we can, and we hope that we can count on your support.