

Overview and Scrutiny Committee

23 April 2026

Part 1 - Public

Matters for Information



Cabinet Member	Cllr Robin Betts (Cabinet Member for Housing, Environment and Economy)
Responsible Officer	Adrian Stanfield (Director of Central Services and Deputy Chief Executive)
Report Author	Stuart Edwards (Head of Administrative & Property Services)

Property Owned and Rented Out by TMBC

1 Summary and Purpose of Report

- 1.1 This report sets out the properties which are owned and rented out by the Council, including details such as the annual rental, asset valuation and cost of maintenance.

2 Corporate Strategy Priority Area

- 2.1 Efficient services for all our residents, maintaining an effective council.
- 2.2 The Council's property portfolio should help facilitate and deliver its strategic objectives as set out in the Corporate Strategy. Some properties will be rented for a financial return (for example shops), some will be rented to help support delivery of a service (for example leisure centres) and some will be rented to support community groups (for example halls).

3 Recommendations

- 3.1 This report is submitted for Members information.

4 Introduction and Background

- 4.1 The Council owns a relatively small but varied property portfolio including land and buildings across the borough. The Council's Asset Management Plan states the Council's property portfolio should support the continued delivery of services to our residents and support the growth and inward investment aspirations of the Borough, whilst offering good value for money.

- 4.2 The focus of this report is on those properties which are rented out. It excludes properties which are used to provide temporary accommodation, on the basis they are not 'rented out'. It also excludes any land which is rented out where there is not a building present as we believe this to be outside the scope the request received from the Chair of the Overview and Scrutiny Committee.
- 4.3 The Council's Interim Estates Surveyor manages the Council's portfolio on a day to day basis, with the Head of Administrative & Property Services leading on strategic management.
- 4.4 Rental charging and invoicing is primarily dealt with by Financial Services, including chasing any debts which may have accrued, with assistance from Property Services as required.
- 4.5 Land and property assets are valued in accordance with legislative and regulatory requirements and are categorised into different groups based on their use, which dictates how often they are valued. Most assets are valued every 5 years, however investment properties are valued annually.

5 Proposal

- 5.1 At **Annex 1** Members will find details of the properties rented, including asset valuations.
- 5.2 Details of the rents received from the properties are contained at **Annex 2** as a private annex, as those details are commercially sensitive (Part 2 Private publication – Reason LGA 1972 – Sch 12A Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)).

6 Other Options

- 6.1 An alternative to receiving rental income from renting properties would be to dispose of assets for one-off capital receipts. Generally speaking, the Council has tended to favour ongoing rental income as opposed to taking one-off capital receipts.
- 6.2 However, many agreements will afford protection to the tenant meaning, in the majority of cases, the asset would be sold with the existing rental agreement in place rather than with vacant possession.

7 Financial and Value for Money Considerations

- 7.1 The Council has a duty to ensure it achieves best consideration from all its property transactions. This does not necessarily mean just the highest rental return, as renting properties may also help support community organisations deliver their services or help the Council deliver its strategic objectives.

- 7.2 The total income currently received from the Council's rented properties as shown at Annex 2 is £502,217 per annum. This income forms an important part of the Council's budget and supports it deliver services to residents.
- 7.3 At the time of writing 100% of the Council's investment properties are let.
- 7.4 The asset values of the properties are shown at Annex 1. However, Members should note an asset valuation undertaken as part of the Council's obligations to meet financial reporting rules is not necessarily the same as the price which may be obtained if selling the asset on the open market. Annex 1 sets out the different valuation basis for each asset.
- 7.5 Over the last four years we have increased the rental received from assets which has totalled around £350,000 of additional income over that period. This has primarily been achieved through rent reviews and lease renewals.
- 7.6 The cost of maintaining these properties is met from the Council's Building Repairs Revenue Expenditure Plan (BRREP). The level of maintenance required at each property is dependent on the terms of the agreement i.e. how much the Council is responsible for as landlord and how much the tenant is responsible for.

8 Risk Assessment

- 8.1 There are a number of risks associated with owning and managing rented properties which requires strategic and careful management.
- 8.2 Should tenants fail to operate financially sustainable businesses, either due to the Council's poor management of the portfolio or wider economic factors, properties may become vacant and be difficult to let, leading to a loss of income.
- 8.3 If the Council were to cease receiving rental income from the properties it would ordinarily result in savings having to be identified and delivered to fill the gap, although there would be an element of offset if capital receipts were re-invested.

9 Legal Implications

- 9.1 When renting out property it is important that the correct agreements are in place, setting out relevant conditions and restrictions around term, rent, use etc. The Council's Property Solicitor is instructed to draft and complete these agreements to ensure all relevant terms are included to protect the Council's position.

10 Consultation and Communications

- 10.1 The Cabinet Member is kept up to date on strategic matters relating to the Council's property portfolio.

11 Implementation

- 11.1 N/A.

12 Cross Cutting Issues

12.1 Climate Change and Biodiversity

12.1.1 A moderate source of emissions is likely to be maintained at current levels or increased.

12.1.2 Climate change advice has not been sought in the preparation of the options and recommendations in this report.

12.1.3 The Council's involvement in maintenance of a property will be dependent on the agreement in place with the tenant. For example, in the case of the leisure centres the Council is responsible for maintaining the building fabric along with plant and maintenance, meaning it has the ability to reduce energy usage and improve energy efficiency.

12.1.4 For some properties, the Council would only have the ability to influence these factors if the property came back following a tenant exiting and prior to it being let again.

12.1.5 An Energy Performance Certificate (EPC) is required to be in place prior to any letting, which sets out a property's current and potential energy performance.

12.2 Equalities and Diversity

12.2.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

12.3 Other If Relevant

- Procurement – when arranging any works the Council must adhere to local and national procurement requirements. Often this is done in partnership with the Mid-Kent Procurement Team.
- Business Continuity / Resilience – the income received from the Council's rented properties help support the Council's budgets.
- Health and Safety – the Council needs to ensure it meets any health and safety legislative requirements for its rented properties, for example asbestos management.
- Healthy Lifestyles – many of the Council's rented properties help support delivery of leisure and sporting services ranging from leisure centres to small pavilions.

Background Papers	None
Annexes	Annex 1 – List of rented properties Annex 2 (Part 2 Private publication) – Details of rental information