

## **Item 15 (iv) - Information item marked 'to follow' on the Audit Committee agenda for 27 November, 2015**

### **Officer Advice on external rental income**

There has been national and local press coverage on offshore property investment following on from comments of the Prime Minister about money laundering through property purchases.

*The Cable published an article stating - Bristol City Council have made an estimated £126m from leasing properties to secretive offshore registered companies based in the Isle of Man, Jersey, the British Virgin Islands and Guernsey. The Cable obtained a list of Council owned properties that are leased for capital appreciation – held for making money not service provision.*

Property has reviewed its asset data directly based on data reviewed by our external auditors. £126m will be the sum of capital values for a large group of investment properties, not the rents. The aggregate annual rents from these is around £13m.

The article referred specifically to Vintry House stating that the Council signed a £31m leasehold deal on it. This is not true. The current long leasehold we have granted was for 125 years from about 1985. Our asset value is £191,000 and the rent £8,600.

The Council has established procedures for the approval of tenants. We are reviewing whether these are in need of update to incorporate a standard KYC check.

*Robert Orrett – 19 November 2015*