



ADUR & WORTHING
COUNCILS

**Record of Officer
Executive Decision**
Ref. No: HMP&I/018/18-19
Date of Decision: 4 April 2019

If you have any questions about this decision, please contact 01903 221006 or email heather.kingston@adur-worthing.gov.uk.

<p>Record of Decision: Purchase of a property for the Strategic Property Investment Fund for Worthing Borough Council.</p>
<p>Decision taken by: Head of Major Projects & Investment</p>
<p>Declaration: I do not have a disclosable pecuniary interest, or conflict of interest.</p>
<p>Delegated authority: 3.13.2 of Worthing Council Constitution's "Officer Scheme of Delegation" specifies the Head of Major Projects & Investment has delegated authority <i>"To acquire land in connection with the Council's functions and to take leases, easements, licences and wayleaves of, in, or over buildings or land in connection with the Council's functions."</i> The Constitution specifies <i>"Where acquisition of land is purchased through the Strategic Investment Fund, the delegation is to be exercised in consultation with the Leader, Executive Member for Resources and the Chief Financial Officer"</i>.</p>
<p>Decision: To acquire the freehold interest in a single tenanted 36,100 sq ft retail food store, with 182 surface parking spaces, in Newton Mearns, Glasgow for Worthing Borough Council's Strategic Property Investment Fund for £12,068,000, excluding purchase costs, subject to necessary pre purchase due diligence including valuation, building survey and legal due diligence.</p>
<p>Key Decision: Yes</p>
<p>Reason for the Decision: The Strategic Property Investment Fund was established as a key part of the Council's Medium Term Financial Strategy to ensure the delivery of income from commercial property to supplement the Council's other sources of income. An Investment Strategy was adopted by Worthing Borough Council in July 2018. This strategy sets out in broad terms an approach which aims to build a balanced diversified commercial property portfolio, comprising a variety of property types including industrial, commercial, office and retail, with a spread of assets geographically.</p>

The purchase of a retail food store in Glasgow supports the Council's adopted strategy objectives to achieve a balanced portfolio both in geographic location, asset type, and in terms of length of tenure.

This investment represents an opportunity to acquire a well-positioned foodstore let to a good covenant tenant, with approximately 12 years unexpired, on fully repairing and insuring terms, in an affluent area and at a sustainable rental level. The foodstore is situated within a growing population which is the right size and configuration for a food retailer. The investment generates a solid income of £714,773 per annum. This will deliver an estimated net income of c.£250,000 per annum for Worthing Borough Council in the first year after purchase.

Alternative Options Considered:

To not purchase the property. This is not the preferred approach for the reasons set out in the paragraphs above.

Other Matters Considered:

Legal Advice and Issues	X	Financial Advice and Issues	X
Sustainability Issues	X	Equality Issues	X
Community Safety Issues		Human Rights Issues	X
Reputation	X	Risk Assessment	X
Health and Safety Issues	X		

Consultation:

In line with the requirements set out in Worthing Borough Council's Constitution the Head of Major Projects & Investment has consulted, with both the Leader and Executive Member for Resources for Worthing Borough Council and the Chief Financial Officer, prior to making this decision.

Background Papers:

- Joint Strategic Committee 10/07/2018 "Commercial Property Investment Strategy" <https://www.adur-worthing.gov.uk/media/media,149801,en.pdf/>

Call-in: The call-in deadline for this decision will be 5:00pm on Thursday 11 April 2019.



Signed:

Dated: 04/04/2019

Name: Cian Cronin, Head of Major Projects and Investment

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