

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 8 February 2016

Portfolio:	Policy & Resources
Subject:	Possible Purchase of Commercial Investment, 136-138 Southampton Road, Park Gate, Fareham
Report of:	Director of Finance & Resources
Strategy/Policy:	Asset Management Plan
Corporate Objective:	A dynamic, prudent, progressive and best practice Council

Purpose:

To obtain the view of the Executive on whether the Council should proceed to purchase the investment opportunity at 136-138 Southampton Road, Park Gate, Fareham on the terms as set out in the confidential Appendix A.

Executive summary:

Included on the agenda of this Executive is a report providing an update on the Commercial Property Investment Acquisition Strategy which was put in place after approval from the Executive in January 2013. The reports sets out the commercial investments acquired from the funding allocated by the Executive in January 2013 to provide £3 million as an initial investment to fund a commercial property investment acquisition programme and the Executives decision in November 2013 to provide an additional £5 million to facilitate further investment. The report advises of the financial benefits of investing £8 million in commercial investment property as opposed to treasury related investments.

This report advises that a commercial investment opportunity has become available at 136-138 Southampton Road, Park Gate, Fareham. The owners of the investment are prepared to give the Council exclusivity to purchase the investment until the matter can be referred to this Executive for a decision.

The confidential Appendix A sets out an analysis of the investment, financial information, lease details and heads of terms agreed with the owners to enable the Executive to decide if the investment should be purchased.

Recommendation/Recommended Option:

That the Executive considers the purchase of 136-138 Southampton Road, Park Gate, Fareham as a commercial investment on the basis of the heads of terms set out in the confidential Appendix A.

Reason:

To obtain the view of the Executive on whether the Council should proceed to purchase the commercial investment at 136-138 Southampton Road, Park Gate, Fareham

Cost of proposals:

The purchase price and ancillary costs e.g. Stamp Duty Land Tax are set out in the confidential Appendix A.

Appendices:

A: Confidential appendix setting out the terms agreed for the conditional purchase of 136-138 Southampton Road, Park Gate, Fareham. (Exempt By virtue of paragraphs (3) of Part 1 of Schedule 12A of the Local Government Act 1972.)

Background papers:**Reference papers:**