



ADUR & WORTHING
COUNCILS

Record of Officer Executive Decision

Ref. No: HofMP&I/013/18-19

Date of Decision: 14 January 2019

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

Record of Decision: Purchase of a property for the Strategic Property Investment Fund for Adur District Council

Decision taken by: Head of Major Projects & Investment

Declaration: I do not have a disclosable pecuniary interest, or conflict of interest.

Delegated authority:

At 3.13.2 of the Adur District Council Constitution's "Officer Scheme of Delegation" the Head of Major Projects & Investment has delegated authority "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." The Constitution specifies "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".

Decision:

To acquire the freehold interest in a retail superstore property in Altrincham, Greater Manchester for Adur District Council's Strategic Property Investment Fund for £11,650,000. The proposed investment will result in an annual gross income of £639,333. After the cost of borrowing, this will deliver an estimated net income of £174,000 per annum for the Council.

The anchor retailer occupies 85% on fully repairing and insuring terms, comprising a 32,581 sq ft store and the 179 car parking spaces, paying £544,100 per annum, under a long lease until March 2037, with 16 years term certain, with a break option in November 2034. The remaining 15% of the income is from a parade of 6 shops which are incorporated into the premises, predominantly let to local private traders. The shop/atm income is £95,233. The 6 shop units are held under various leases, of which four expire in 2020 and the remaining two have breaks in 2020.

Key Decision: Yes

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 investment income to supplement the Council's other sources of income. An Investment Strategy was adopted by Adur District

Council in July 2018 which set out in broad terms an approach which aims to build a balanced commercial property portfolio with a variety of property types including industrial, commercial, office and retail, and in a wide geography to prevent against local circumstances. With high street retail experiencing some turbulence, the purchase of a grocery store enables the Council to achieve the adopted strategy objective of a balanced portfolio.

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 Analysis		Human Rights Issues	x
Reputation	x	Risk Assessment	x
Health and Safety Issues	x		

Consultation:

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

Background Papers:

Joint Strategic Committee meeting - 2 February 2016 -

https://docs.google.com/document/d/1qjANev1sHj2h-TVT5WeZTj_BTg9IKjq-Zy5rIL58Okk/edit

Call-in: The call-in for this decision has been waived.



Signed:

Dated: 14 January 2019

Name: Cian Cronin

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