

<b>TITLE</b>	<b>Acquisition of a Property within the Borough</b>
<b>FOR CONSIDERATION BY</b>	The Executive on Thursday, 30 January 2020
<b>WARD</b>	None specific
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers
<b>LEAD MEMBER</b>	Deputy Leader of the Council - John Kaiser

## **PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)**

Through the Investment Strategy process, this property has been identified though terms do not align with the strict criteria for Investments. As this is a key property holding, it is proposed to 'top-up' the acquisition budget from outside of the Investment Strategy budget

## **RECOMMENDATION**

That the Executive:

- 1) agree to acquire the target property in line with the details contained within part 2 of the report;
- 2) agree to fund the additional costs, as detailed in part 2, from other sources and not from the Investment Portfolio;
- 3) confirm that all income from this property is reported through the Investment Portfolio.

## **EXECUTIVE SUMMARY**

The target property has been identified through the Investment Strategy process, by way of key contacts who are aware of WBC's ambitions.

Following discussion with the seller's advisers, it is clear that we will be unable to acquire at a cost that aligns with the strict criteria for Investment acquisitions. However, it is deemed that the location and size of the property potentially holds wider benefits to WBC than pure investment purposes.

It is therefore proposed that the additional cost to acquire this property is funded from other sources

Because this will be a negotiated commercial transaction ahead of the property coming to market, the details are included within the part 2 section of this report

## BACKGROUND

The target property has been identified through the Investment Strategy process, by way of key contacts who are aware of WBC's ambitions. As such, this property is not yet being marketed for sale which reinforces the need to maintain confidentiality.

Following discussion with the seller's advisers, it is clear that we will be unable to acquire at a cost that aligns with the strict criteria within the Investment Strategy. However, it is deemed that the location and size of the property potentially holds wider benefits to WBC than pure investment purposes.

It is therefore proposed that the additional cost to acquire this property is funded from other sources in order to achieve the wider benefits.

The element of cost attributed to the Investment Portfolio together with all of the income from the property will be accounted for within the Investment Portfolio process

Because this will be a negotiated commercial transaction ahead of the property coming to market, the details are included within the part 2 section of this report

## BUSINESS CASE

See Part 2 Report

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See part 2	No	Capital
Next Financial Year (Year 2)	Nil	Yes	
Following Financial Year (Year 3)	Nil	Yes	

### Other Financial Information

State clearly and concisely any other financial implications which are not included in the table above eg the impact on budgets if the decision is not approved. If no implications state 'none'

See part 2 report

### Stakeholder Considerations and Consultation

Include information relating to any consultation that is due to be carried out including date and how the consultation will be carried out

<b>Public Sector Equality Duty</b>
This is an acquisition of an existing, trading property. An Initial Equality Impact Assessment has been completed

<b>Reasons for considering the report in Part 2</b>
This is a commercial, negotiated transaction on a property that has not yet come to market. Any knowledge of this potential transaction in the market could impact adversely our ability to acquire.

<b>List of Background Papers</b>
None

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