

47/E Urgent Action

The Executive noted Urgent Action taken in accordance with the Scheme of Delegation of Functions to Officers which related to the purchase of the freehold of 45-51 Park Street, Camberley for the sum of £17.6m and the expenditure of professional fees up to the sum of £275k.

Note 1: Reason Restricted: Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)

48/E Acquisition of Property

The Executive considered an Urgent Item which concerned the acquisition of Albany Park, Camberley. The Council had the opportunity to bid for the acquisition of the Albany Park, which currently comprised Matalan, Travelex, plus a number of smaller industrial units. The total site comprised 4.85 acres.

The Head of Legal informed Members that the decision was considered to be urgent and could not reasonably be deferred because of bidding requirements. The Chairman of the Performance and Finance Scrutiny Committee, Councillor Alan McClafferty, had agreed that the making of the decision was urgent and could not reasonably be deferred.

The Executive was informed that the acquisition was being pursued for investment purposes. It was noted that the proposed purchase was similar to that of St George's Industrial Estate in March 2015, which was performing well.

It was reported that bids in excess of £15m would be considered. Valuation work undertaken on behalf of the Council recommended a bid of up to £15.1m, subject to due diligence work. The investment was expected to generate a 6.8% net initial

yield. The acquisition would be funded by borrowing, which could be accessed from the Public Works Loans Board where rates currently stood at 2.78%.

Members were advised that the total rent for the site was just over £1.1m, of which £605k was received from Matalan. The lease of the Matalan unit was until 2027. It was also advised that the covenants were considered to be good, but there was flexibility in the potential future use of the site.

Concerns were raised by some Members in relation to the financial stability of the site's largest tenant, Matalan. It was, however, emphasised that such matters would be part of the due diligence process.

RESOLVED to authorise the Chief Executive to

- (i) bid for the acquisition of Albany Park, Camberley;**
- (ii) complete the due diligence work; and**
- (ii) after consultation with the Land and Property Board, complete the necessary formalities.**

RECOMMENDED to Council that the capital programme be extended by £36m in relation to the acquisition of 45-51 Park Street Camberley, and Albany Park, Camberley.

Note 1: Reason Restricted: Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Chairman