

Minutes

Cabinet

Date: 29 October 2018

Venue: Mezzanine Rooms 1 & 2, County Hall, Aylesbury

Time: 10.00 am to 10.30 am

MEMBERS PRESENT

Mr M Tett (in the Chair).

Mr M Appleyard, Mr W Chapple OBE, Mr J Chilver, Lin Hazell, Mr M Shaw, Mr W Whyte and Mrs J Teesdale

OTHER MEMBERS IN ATTENDANCE

Mr C Harriss and Mrs A Cranmer

OFFICERS IN ATTENDANCE

Ms R Bennett, Mr R Ambrose, Mrs S Ashmead, Mr O Milambo and Mr M Preston

1 APOLOGIES FOR ABSENCE

Apologies were received from Mr N Brown, Cabinet Member for Community Engagement and Public Health, his deputy Mrs J Teesdale attended on his behalf.

Deputy Cabinet Members in attendance were M C Harriss and Mrs A Cranmer.

2 DECLARATIONS OF INTEREST

There were none.

3 ACQUISITION OF INVESTMENT PROPERTIES

Mr M Tett, Leader, introduced the item outlining the reason why the Council had developed a portfolio for investment properties. Mr Tett stated that the objective of the acquisition of these properties would be to supplement the council's revenue by investment income. This would help protect front line services to residents.

Mr O Milambo, Deputy Head of Strategic Assets and Mr M Preston, Head of Finance, Resources & Pensions attended the meeting in order to answer Member's questions.

Mr J Chilver, Cabinet Member for Resources highlighted the following points:

- The office accommodation was situated on Globe Park Business Park, a well-established business park in Marlow.
- The acquisition would diversify the Council's portfolio geographically and by sector.
- The building was in a good location, in a good condition and would yield above the threshold set for new acquisitions.
- The building including a good length of leases and good onsite parking.
- The purchase would still be subject to due diligence and any issues raised by Members.

Cabinet raised and discussed the following points.

- Concerns were raised over recent flooding in the area and for that to be considered as part of the due-diligence process.
- Condition of the roads into and around the area and who the responsibility for their maintenance would sit with. It was also raised who would be responsible for putting in amenities such as electric car charging points.
- Cabinet noted the great location of the building and the high quality of the tenants, who were refurbishing the building at a cost to themselves
- The rents achieved compared well to others within the area being set medium to low which would ensure tenants would remain.
- Mr Tett highlighted that some Cabinet Members had conducted a site visit and were impressed with the quality of the building and its location. Lease lengths were good, with two tenants already secure on long leases.

Due to the confidential nature of the acquisition Cabinet discussed the confidential appendices within a closed session and not on webcast.

Following the confidential session it was noted that a number of key points were to be included in the due diligence process and the purchase would only proceed if the County Council received satisfactory reassurances.

Recommendation

That Cabinet:

1. **Reviews the risks associated with the potential purchase as explained in the report, including the size of the investment and the remaining length of the current lease on Building 3;**

2. **Subject to 1 above, approves formal due diligence and negotiations with the Vendor's investment agent;**
3. **Authorise the Cabinet Member for Resources and Executive Director of Resources to conclude the purchase of the Property following a successful outcome from the process of due diligence.**
4. **Allow and authorise the Council to enter into or execute under seal, if necessary any agreements and other related documentation.**

RESOLVED: Cabinet AGREED the recommendations as set out above.

4 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)

5 ACQUISITION OF INVESTMENT PROPERTIES

6 DATE OF THE NEXT MEETING

12 November 2018.

**MARTIN TETT
LEADER OF THE COUNCIL**

