

**COUNCIL**  
**5<sup>TH</sup> JULY 2017**  
**CABINET RECOMMENDATIONS**

Details of a recommendation to Council made at the Cabinet Meeting held on 29<sup>th</sup> June 2017 are set out below.

**EX/20    Acquisition of a commercial property and approval of a loan facility**

The Leader reported on the proposed acquisition of a commercial property in Horsham town centre for investment purposes.

In September 2015, the Council had allocated capital for the purpose of acquiring commercial investment properties as they arose from time to time in the District provided they would achieve a 6% yield. The purchase currently proposed was of a much higher value than other recent acquisitions and details of the rationale for acquiring the property were reported.

The Treasury Management Strategy approved in February 2017 had anticipated additional property investment of £3,000,000 per annum over the full five-year term of the Medium Term Financial Strategy. However, the proposed purchase would exceed this and Council would need to be requested to approve a supplementary capital budget to enable the acquisition to proceed.

The sale of other Council assets that produced a low or no income would contribute towards offsetting any borrowing from internal or external resources.

The Cabinet Advisory Sub-Committee (Property Investment) had considered and supported the proposed property investment purchase. In addition, a briefing had been held on 21<sup>st</sup> June 2017 to which all Members had been invited.

**RESOLVED**

That the proposed purchase of the identified investment property be approved and that the Director of Planning, Economic Development and Property be authorised to complete the purchase, subject to satisfactory due diligence.

**RECOMMENDED TO COUNCIL**

**That a supplementary capital budget of £15,000,000 be approved to enable the purchase to proceed.**

**REASON**

To enable the Council to expand its commercial investment portfolio in order to continue to build a revenue stream to support the Council's general activities and to approve the supplementary budget required for this purpose.