

**TO: Executive Committee – Commercial Property  
8 May 2018**

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**COMMERCIAL PROPERTY INVESTMENT OPPORTUNITIES  
Chief Executive**

**1 PURPOSE OF REPORT**

- 1.1 To update the Executive Committee on possible investment opportunities previously considered and to highlight further opportunities for consideration.

**2 RECOMMENDATIONS**

- 2.1 That the Executive Committee notes progress to date in pursuing possible investment opportunities and receives an update on newly identified opportunities for consideration.**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 To enable the Executive Committee to monitor progress against the Council's aim of securing an additional £1m in revenue each year from 2017/18 to 2019/20 through investing in commercial properties.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None, all actions are necessary to implement the Strategy.

**5 SUPPORTING INFORMATION**

- 5.1 Following approval of the Commercial Property Investment Strategy in November 2016, the Council has completed the purchase of four properties at a total cost of £58m.
- 5.2 In order to help deliver the target level of additional net income of £3m, Council agreed in November 2017 to allocate up to an additional £30m for property purchases, bringing the overall sum available to £90m. The Committee will be presented at the meeting with up to date information in relation to a possible investment opportunity that has already been discussed with Members and some additional properties that have recently become available.
- 5.3 Following consultation, the Government issued revised guidance on investments and Minimum Revenue Provision in early February, which sit alongside CIPFA's Prudential Code. The guidance did not include a ban on investments outside an authority's area, which was included in the consultation document. It does, however, include a new requirement for councils to set out clearly in a Capital Strategy their approach to managing and investing in property and other assets. The Borough Treasurer will provide a verbal update at the meeting on latest thinking in this regard, noting that the updated MRP guidance does not take effect until 2019/20.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

6.1 There are no specific legal implications arising from this report.

### Borough Treasurer

6.2 The Commercial Property Investment Strategy is a key element in the Council's Transformation Programme and is intended to realise net additional income of £3m by 2019/20.

### Equalities Impact Assessment

6.3 There will be no impact on specific groups arising from this report.

### Strategic Risk Management Issues

6.4 Commercial investment, by its nature, cannot be risk free. The proposed approach is intended to strike a balance between minimising the Council's risk exposure while allowing it to generate significant additional income to help bridge the gap in the budget resulting from reduced government funding.

### Other Officers

6.5

## **7 CONSULTATION**

### Principal Groups Consulted

7.1 None

### Method of Consultation

7.2 Not applicable

### Representations Received

7.3 None

### Background Papers

Annex A – Investment Tracker (to follow)

### Contacts for further information

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