



OFFICER DECISION RECORD

This form should be used to record Executive decisions taken by Officers

Decision Ref. No:			
Service Area:	Regeneration	Date:	6 June 2022
Contact Name:	Sarah Longthorpe	Tel No:	01202 118760
E-mail:	sarah.longthorpe@bcpcouncil.gov.uk		
Subject:	Strategic regeneration asset acquisition opportunity		
Decision taken: To approve a budget of £195,500 to fund detailed due diligence work on the acquisition of a key strategic Poole Town Centre asset and consider uses that support the strategic regeneration ambitions of BCP Council.			
Reasons for the decision: BCP Council has currently expressed a non-binding and indicative interest in acquiring a key strategic Poole Town Centre asset Barclays House, Wimborne Road, Poole. The vendor has agreed to enter into a limited period of exclusivity to enable the Council to undertake its due diligence. Barclays recently announced their relocation from the property to The Helm, Lansdowne, Bournemouth, as result, the Poole asset is surplus to requirement. The asset consists of three separate land parcels, Barclays House, an eight storey 1970s office block, a 6 storey 1,100 space Multi Storey Car Park (MSCP) and archive store and a surface level car park. A site plan and aerial photo is included in Appendix A. The purpose of the due diligence is to provide a sufficient level of assurance to enable the Council to consider if the acquisition could accommodate a variety of uses that would support the strategic regeneration of this area and determine if this proposal is financially viable. The due diligence would enable the Council to propose a final offer, subject to the necessary approvals. A significant level of technical due diligence is required to determine the condition of the asset and provide cost estimates for any repairs and internal refurbishment. If acquired, this asset could accommodate a variety of functions to kick start the regeneration of this part of Poole including temporarily providing additional public parking capacity. In the longer term the assets could be redeveloped to support the delivery of the Council's ambition to progress the regeneration of the Poole, in line with the strategic aims of the Council's "Big Plan".			

Background:

The vendor is seeking to dispose of this asset as it is surplus to their requirements. The building is located in the heart of Poole's regeneration area in close proximity to the train and bus stations.

It is appropriate for the Council to consider the acquisition of this asset as it could provide the opportunity to;

- secure the building and land to support the Council's short and long term regeneration objectives as the location sits at the heart of a key regeneration area.
- provide quality office space, co-working and incubation space to stimulate economic development;
- consider the temporary use of the asset and car park to support service needs (such as park & ride) and alleviate seasonal pressures on beach car parks;

Consultations undertaken:

Asset Investment Panel consisting of the Chief Executive, Chief Financial Officer/S151, Director of Economic Development, Director and Monitoring Officer Law & Governance, and Estates Manager and attended by the Leader of the Council and Deputy Leader of the Council.

BCP FuturePlaces – Managing Director and Chief Operating Officer & Investment Director.

Finance and Resourcing Implications:

A budget is required to fund due diligence which will include a range of reports and surveys to identify the current condition of the asset, a title report and a formal Red Book Valuation. The due diligence will highlight the risks and opportunities from this potential acquisition and will determine the costs associated with repairing and refurbishing and holding this asset.

It will also consider the strategic case for acquisition and the Council's ability to utilise Public Works Loan Board funding to acquire this asset in support of the Council's wider regeneration plans.

The estimated budget required to complete the necessary due diligence is detailed in the table below;

Item	Budget
Surveys & Reports to include (Building Condition and concrete condition, Asbestos, Sustainability, Health & Safety, Fire Safety, demolition)	£120,000
RICS Red Book Valuations	£20,000
Additional resources (Technical Due Diligence)	£30,000
Contingency 15%	25,500
TOTAL	<u>£195,500</u>

It is proposed that the estimated £196,000 cost of this due diligence is funded in the first instance from the budget for regeneration enabling costs made available by Council in the Autumn of 2021 and held in a specific earmarked reserves as at 31 March 2022.

At this stage, without the benefit of the due diligence information it is not possible to model the life-cycle costs of this opportunity with any confidence due to the high level of assumptions and risks which would have to be applied.

The due diligence will enable a comprehensive viability assessment and financial appraisal to be undertaken which will incorporate the factors below;

- The costs of repair works and upgrades to services
- Cost of internal reconfiguration and refurbishment to provide quality office accommodation
- Major repair provision/sinking fund
- Annual expenditure associated with BCP ownership and use of the building
- Potential income projections
- Holding costs of asset until fully utilised

This will enable a full business case to be prepared and presented for further consideration and approval of the acquisition, if appropriate.

Name: Adam Richens

Date: 8.6.22

Signature:



Legal Implications:

The Council has powers under Section 120 (1) & (2) of the Local Government Act 1972 to acquire land by agreement for the purpose of any of its functions or for the benefit, improvement or development of their area, even where not immediately required for the purpose.

As a result the council, subject to confirmation of suitability & value, would be able to take advantage of the opportunity presented by the availability of this building, and the short exclusivity period being offered will afford a limited period during which to undertake the necessary due diligence as set out above.

It is proposed that the Council appoint external advisers via the legal framework to undertake the legal work required as part of the due diligence to inform the acquisition of the proposed asset within the agreed timeframe.

Subject to satisfactory due diligence, and an agreed final offer the necessary Council approvals will be sought.

Name: Susan Zeiss

Date: 9.6.22

Signature:

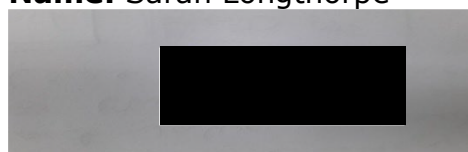


Risk Assessment:

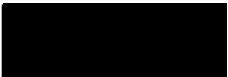
The key risk associated with this proposal is that after undertaking the necessary due diligence it is decided not to proceed with the proposed transaction that the costs spent to date will be aborted.

Name: Sarah Longthorpe

Date: 6 June 2022



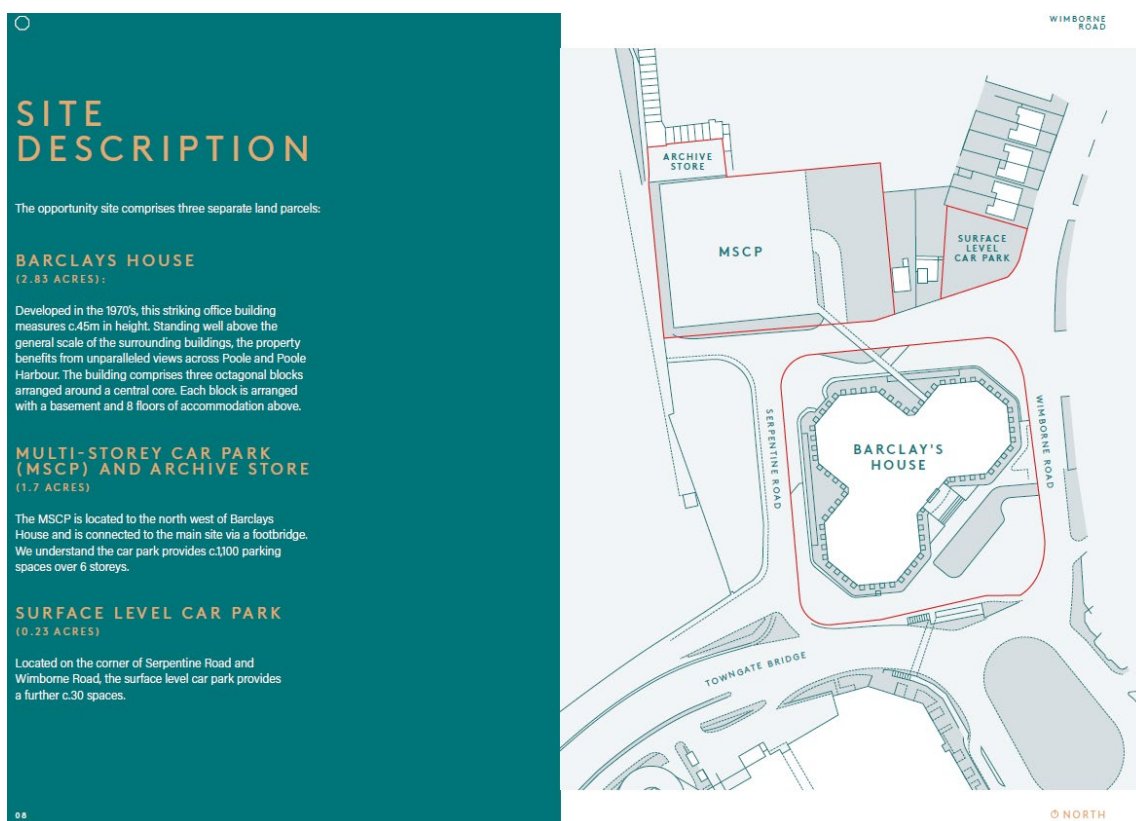
Signature:

Impact Assessments: N/A			
Information for publication			
Background Papers Confidential Appendix			
Any declaration of interest by the Officer responsible for the decision		Nature of Interest	
No			
Any conflict of interest declared by a Cabinet Member who is consulted by the Officer taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
No			
Decision taken by: Graham Farrant Chief Executive Signature:  Date of Decision: 9/06/2022 Date Decision Effective:			

Note: A record of this decision should be kept by the Service Area within which the decision falls.

Appendix A

Site plan and description



Aerial photo

