

# SALISBURY CITY COUNCIL

## Report

**Subject** : Purchasing of Property  
**Committee** : Full Council  
**Date** : 20 January 2020  
**Author** : Annie Child, City Clerk

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### 1. Report Summary:

- 1.1. This report introduces a proposal for the agreement in principle to consider further purchase of property by Salisbury City Council (SCC).

### 2. Background:

- 2.1. The City Plan 2017- 2021 notes that one of the Council's priorities is to reduce reliance on the precept by considering alternative income.
- 2.2. An alternative source of income can be rental income from property. The Council already owns several buildings in the City which are rented to tenants. These range from garages to shops to residential properties.

### 3. The Purchase of Further Property:

- 3.1. From time to time, properties in Salisbury come up for sale which could be suitable properties for SCC to buy to make more profitable its property portfolio.
- 3.2. Often these are commercial properties where there can be marked market interest and relatively short timeframes in which to make decisions to purchase the property.
- 3.3. The Council wishes to set out a framework to agree in principle how it wishes to buy additional property which would allow the Council to proceed more effectively and promptly should any suitable properties come up for sale.
- 3.4. It is proposed that any final decision to buy any property would be taken by Full Council as extraordinary meeting called for that purpose if there was not meeting planned which met the timescale for the decision.
- 3.5. The Council may wish to borrow funds from the Public Works Loan Board to fund any such property purchases.

### 4. Property Criterion:

- 4.1. For property to be considered by SCC for purchase it must be:
  - 4.1.1. In Salisbury parish or exceptionally in adjoining parishes
  - 4.1.2. Have recent condition survey to ensure SCC understands any maintenance and dilapidations liabilities
  - 4.1.3. As general guidance, earn a return in excess of 2.5 times the current rate of interest charged for borrowing funds from the Public Works Loan Board
  - 4.1.4. Be free from any restrictive covenants

4.2. SCC will seek external support and guidance to ensure that any property under consideration for purchase meets SCC's criterion and it suitable for purchase by SCC

**5. Recommendations:**

It is recommended that the Council:

- 5.1. Agree to actively consider the purchase of additional property where the criteria set out above can be met.
- 5.2. Note that this purchase may require the Council to borrow to fund for the purchase.
- 5.3. Agree that any final decision to buy property would be made by Full Council at an extraordinary meeting of Full Council called for that purpose, if there was not meeting planned which meet the timescale for the decision.

**6. Wards Affected: All**

**7. Background Papers: Nil**

**8. Implications:**

- 8.1. **Financial:** As shown in the this report
- 8.2. **Legal:** Nil in relation to this report
- 8.3. **Personnel:** Nil in relation to this report
- 8.4. **Environmental Impact:** Nil in relation to this report
- 8.5. **Equalities Impact Statement:** Nil in relation to this report.