

POTENTIAL PROPERTY ACQUISITION DECISION - CAMBRIDGE SCIENCE PARK

WEDNESDAY, 6 NOVEMBER 2019

DECISIONS

Set out below is a summary of the decisions taken at the meeting of the Potential property acquisition decision - Cambridge Science Park held on Wednesday, 6 November 2019. Decisions made by the Cabinet will be subject to call-in. Recommendations made to the Council are not subject to call-in. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

If you have any queries about any matters referred to in this decision sheet please contact Ian Senior.

1. POTENTIAL PROPERTY ACQUISITION DECISION - CAMBRIDGE SCIENCE PARK Cabinet recommended to Full Council:

- (a) The investment of up to the sum referred to in the confidential report from the Interim Director of Finance, comprising property acquisition costs and refurbishment and letting costs in accordance with the approved Investment Strategy to acquire the property at Cambridge Science Park and to refurbish the building as a multi-let office investment;**
- (b) The re-profiling of the Investment Strategy capital allocations to bring forward sufficient funds to enable the property at (a) above to be acquired in 2019-2020 and refurbishment to be commenced thereafter;**
- (c) The use of the General Reserve, if required, for the potential revenue cost impacts of the acquisition prior to the realisation and inclusion of the net additional income from the portfolio investment (after allowing for borrowing costs and property portfolio management costs), in the revenue budget.**

Other Options Considered: The options are:

- (a) To approve (subject to satisfactory due diligence) the acquisition of the property and refurbishment and letting costs in the site, or to advise the owners that the Council does not wish to proceed with this investment opportunity.
- (b) To approve the re-profiling of the Investment Strategy Capital Programme to enable the investment, or to delay the investment to the 2020-2021 financial year. In reality the opportunity would, in this case, be lost as there are other interested parties that have expressed an interest and submitted bids.
- (c) The delivery of the Investment Strategy is a key priority of the Council and has the potential to achieve significant redevelopment and regeneration opportunities and to deliver positive financial returns for the Council that will help support and underpin the continued delivery of priority services. Given that the acquisition is in line with the ambitions of the Investment Strategy and approved Business Plan 2019-2024, it is

considered that the Council should seriously consider this opportunity.

Reason For Decision: The property at Cambridge Science Park is a rare prime office investment opportunity. Full Council approval is required to re-profile capital allocations to enable the property to be acquired and refurbishment to be commenced in the 2019-2020 financial year. The additional income from the investment portfolio, after allowing for the resource cost to support the management of the property portfolio, will contribute to the Council's financial targets.