



<p>To: Councillor: Richard Robertson - Chair George Owers – Executive Councillor for Finance & Resources Tim Bick – Opposition Spokesperson</p> <p>To Officer: Caroline Ryba – Head of Finance</p>	<p>Return to: Dave Prinsep Head of Property Services The Guildhall Cambridge CB2 9QJ</p>
<p>Date: 3 December 2015</p>	<p>Tel: 7431</p>
<p>E-mail: dave.prinsep@cambridge.gov.uk</p>	

MEMBER CONSULTATION

This is a formal consultation letter seeking your views in the following circumstances:

- ✓ Urgency Action: your views are being sought as a committee Chair or Spokesperson on a matter which is not delegated to officers but on which action must be taken as a matter of urgency.

Please reply in writing by **12 noon on 11 December 2015** by completing and returning one copy of this consultation letter.

Subject : Acquisition of Cambridge Road Retail Park, Haverhill, Suffolk. CB9 7GS.

Background: Strategy and Resources Scrutiny Committee on 19/01/2015 approved the allocation of £8.0m for investment in acquiring commercial property. An offer has been made and accepted subject to contract for a retail warehouse investment meeting the criteria set out in that report. The balance of funding available from the initial budget is insufficient and approval is sought to fund the balance from capital receipts.

Recommended Action: The Executive Councillor is recommend to approve that:

The balance of payment needed to acquire Cambridge Road Retail Park of £1,000,000 is funded by capital receipts.

Member Response:

I support / do not support the action recommended above.

Member Comments/Reason:

Signed Councillor

Date



Cambridge City Council

To: Executive Councillor for Finance and Resources:
Councillor George Owers

Report by: Philip Taylor – Senior Estates Surveyor

Relevant scrutiny committee: Strategy & Resources Scrutiny Committee

Wards affected: None

ACQUISITION OF Cambridge Road Retail Park, Haverhill, Suffolk. CB9 7GS.

1. Executive summary

- 1.1 On 27th November, the Head of Property Services sent a Member Consultation document and report on his intention to exercise delegated powers in connection with the acquisition of a new commercial property, Cambridge Road Retail Park, Haverhill.
- 1.2 As part of that report, it was identified that there was a shortfall in available funding identified for commercial property acquisition in the 2015/16 Budget. The financial benefits of the additional expenditure were set out in that report as were some potential funding sources.
- 1.3 This Urgent Report seeks approval to fund the balance of payment needed of £1,000,000 from capital receipts.

2. Recommendations

The Executive Councillor is recommended to approve that:

- 2.1 The balance of payment needed to acquire Cambridge Road Retail Park of £1,000,000 is funded by capital receipts.

3. Background

- 3.1 The Member Consultation document and report set out in detail the proposed acquisition of the Cambridge Road Retail Park, Haverhill. It identified that following the earlier acquisition of Orchard Park Local Centre, the remaining balance identified for commercial property acquisition was £6,349,000 and so there was a shortfall in funding the proposed acquisition. Potential funding sources were referred to in that report.
- 3.2 Acquiring commercial property is dependent upon what is available in the

market at the time. It is highly unlikely that lot sizes will be available that match the budget and so there is always the probability of the available lot sizes being either under or over the allocated budget.

- 3.3 It is proposed to fund this acquisition from existing capital receipts balances and that from Clay Farm (above that required to finance the collaboration/infrastructure costs).

4. Implications

(a) Financial Implications

- 4.1 The purchase price agreed is £7m and there will be the usual acquisition costs including Stamp Duty Land Tax, agent's fee, survey fees and legal fees estimated in the region of 5% (of which 4% is Stamp Duty Land Tax).
- 4.2 As set out above, the additional funding required of £1,000,000 above the remaining balance for commercial property acquisition will be met from existing capital receipts balances and that contractually due from Clay Farm. The additional expenditure above £6,349,000 will achieve the same rate of return of just over 6.1% and the total income from this acquisition will be £451,625 p.a.

(b) Staffing Implications

- 4.6 As the Member Consultation document and report dated 27 November 2015.

(c) Equality and Poverty Implications

- 4.8 As the Member Consultation document and report dated 27 November 2015.

(d) Environmental Implications

- 4.9 As the Member Consultation document and report dated 27 November 2015.

(e) Procurement

- 4.10 As the Member Consultation document and report dated 27 November 2015.

(f) Consultation and communication

- 4.11 As the Member Consultation document and report dated 27 November

2015.

(g) **Community Safety**

4.12 As the Member Consultation document and report dated 27 November 2015.

5. Background papers

These background papers were used in the preparation of this report:

Member Consultation document and report dated 27 November 2015.

6. Appendices

None.

7. Inspection of Papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Philip Taylor or Dave Prinsep

Author's Phone Number: 01223 – 457431 or 457318

Author's Email: philip.taylor@cambridge.gov.uk or
dave.prinsep@cambridge.gov.uk