

Committee: Council

Date:

Title: Little Canfield Business Park (LCBP)

Tuesday, 5 October
2021

**Report
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Summary

1. This report is to consider a request from Cabinet to allocate the sum of £7.5million from the £300m commercial fund to the commercial element of Little Canfield Business Park.

Recommendations

2. Council is recommended to endorse the allocation of £7.5million to the LCBP commercial element and to authorise the necessary borrowing.

Financial Implications

3. As outlined in the papers

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Report to the Investment Board
Report to Cabinet

Situation

1. At its meeting on 27 July 2021 the investment Board considered a detailed proposal with regards to the commercial element of the Little Canfield Business Park (LCBP) site. It was unanimously recommended to Cabinet that the sum of £7.5million from the £300million commercial fund should be allocated to this project.
2. At its meeting on 2 September Cabinet considered the report from the Investment Board and agreed to recommend to Council that the investment should proceed and to seek the necessary funds be put in place.
3. recommending that a sum of £7.5million be allocated to the commercial element of Little Canfield Business Park.

4. Initially the cost of borrowing will be circa £24,000 per annum, based on inter authority borrowing. This will rise to circa £140,000 when long term funding is put in place.
5. It is expected that the rent will be in the region of £350,000 to £500,000 per annum depending upon the number and type of tenants.
6. The reports to the Investment Board and Cabinet are attached for information.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
No tenant is found for the refurbished commercial unit	1 – discussions are currently being held with several potential tenants	2 – failure to secure a tenant would see the cost of borrowing being covered by the other commercial investments	Discussions are being held with a number of potential tenants

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.