

Business Case

F/R.7.129 - Pooled property fund investment (CCLA)

Project Overview

Project Title	F/R.7.129 - Pooled property fund investment (CCLA)		
Project Code	TR001528	Business Planning Reference	F/R.7.129
Business Planning Brief Description	Investment in the CCLA Local Authorities Property Fund to generate a revenue return.		
Senior Responsible Officer	Tom Kelly, Head of Finance		

Project Approach

Background

Why do we need to undertake this project?

The Council has ambitious targets for income from commercial property investments. Investment in this pooled property fund offers important diversity in investment, a proven track record of yield and return to other local government bodies as well as accounting advantages.

What would happen if we did not complete this project?

We would not benefit from the return on this investment

Approach

Aims / Objectives

Return on investment

Project Overview - What are we doing

Investment in a pooled property fund through CCLA

What assumptions have you made?

What constraints does the project face?

Delivery Options

Has an options and feasibility study been undertaken?

Scope / Interdependencies

Scope

What is within scope?

Medium to long term investment.

What is outside of scope?

Short term investment

Project Dependencies	
Title	

Cost and Savings	
See accompanying financial information in Table 3	

Non Financial Benefits	
Non Financial Benefits Summary	
None	
Title	
Return on investment	

Risks	
Title	
Fund doesn't make expected return	

Project Impact	
Equality Impact Assessment	
Who will be affected by this proposal?	
No direct impact on residents/ service user groups	
What positive impacts are anticipated from this proposal?	
Return on investment	
What negative impacts are anticipated from this proposal?	
Opportunity cost of not using this funding for other investments	
Are there other impacts which are more neutral?	
None	

Disproportionate impacts on specific groups with protected characteristics	
Details of Disproportionate Impacts on protected characteristics and how these will be addressed	
No direct impact on residents/ service user groups	

Business Case

F/R.7.127 County Farms - Commercial uses

Project Overview

Project Title	F/R.7.127 County Farms - Commercial uses		
Project Code	TR001551	Business Planning Reference	
Business Planning Brief Description	To assess the potential viability for increasing the revenue and capital returns from our County Farms Estate (CFE). This will include, but is not limited to: <ul style="list-style-type: none">- Viability of converting buildings to non-agricultural uses to create additional revenue from the CFE.- Develop a strategy for maximizing the release of capital receipts.		
Senior Responsible Officer	Hugo Mallaby		

Project Approach

Background

Why do we need to undertake this project?

The Council has an ambitious commercial strategy. Understanding our commercial opportunities from the CFE is fundamental to creating and informing our future strategy for revenue generation and to create a balanced revenue producing portfolio where viable. This work will also be important in providing increased resilience to tenants (where development ties in with diversification ideas) that will protect the overall income from the estate.

What would happen if we did not complete this project?

We would be unable to fully realize the capital and/or opportunity of the CFE.

The CFE's total revenue may come under greater pressure, given the current uncertainties in the agricultural sector.

Approach

Aims / Objectives

- To understand better where the potential opportunities lie on the estate to increase diversified revenue streams – either by working with tenants to create suitable on-farm diversifications or, where appropriate, to let directly to the market.
- The approach will be determined by each site's potential, the desire for on-farm diversification by tenants and the Council's requirements for income generation, based on a managed risk approach.
- To assess the viability of a new distribution hub on CFE land adjoining the A14 near Swavesey.

Project Overview - What are we doing

We have instructed external consultants to complete a desktop analysis of all farm buildings and to present a list of those sites most suitable for development. This list will then be used to inform our strategic direction for optimising revenue generation across the organisation and our assets.

The Distribution Hub is at the inception stage at present. A full business case will be presented as the project develops.

What assumptions have you made?

The sites must be potentially viable from a planning and finance perspective.

What constraints does the project face?

Potential planning issues – particularly re highways in some parts of the County and for the distribution hub particularly as the site adjoins the A14.

Delivery Options**Has an options and feasibility study been undertaken?**

The first stage of this has been instructed through external consultants.

Scope / Interdependencies**Scope****What is within scope?**

All farm buildings on the CFE currently used for agriculture.
CFE land at Swavesey adjoining the A14

What is outside of scope?

Existing buildings currently used for commercial non-agricultural uses and CFE farmhouses.

Project Dependencies**Title****Cost and Savings**

See accompanying financial information in Table 3

Non Financial Benefits**Non Financial Benefits Summary**

The non-financial benefits of a proposal will be specific to the proposal itself. Typically, such proposals could reduce length of commute, provide alternative sites for businesses outside Cambridge (so helping to reduce traffic in Cambridge) and facilitate growth of SMEs and start-up businesses throughout the County.

Title**Risks****Title****Project Impact****Equality Impact Assessment****Who will be affected by this proposal?**

The level of impact on communities will vary on a site by site basis and will be addressed within the individual proposals being considered.

What positive impacts are anticipated from this proposal?

Local businesses may see more trade from converted sites; potentially staff/occupiers could move to the area and help rural schools and businesses survive/thrive; potential for greater age diversity in rural areas.

Potential additional employment opportunities

What negative impacts are anticipated from this proposal?

Any decision to increase revenue generation or release capital receipts will be presented to Commercial and Investment Committee accompanied by a full business case analysis outlining any potential impacts specific to the proposal.

Are there other impacts which are more neutral?

All proposals will be presented to Commercial and Investment Committee. The impact of these proposals will vary and will be considered within its evaluations.

Disproportionate impacts on specific groups with protected characteristics

Details of Disproportionate Impacts on protected characteristics and how these will be addressed

Not known at this stage.

