

Cambridge Biomedical Campus – Commercial Land Matters

To: Assets and Procurement Committee

Meeting Date: 5 February 2026

From: Executive Director of Finance and Resources

Electoral division(s): Sawston and Shelford, Queen Ediths

Key decision: Yes

Forward Plan ref: 2026/016

Executive Summary: Cambridge Biomedical Campus is the leading national biomedical research campus in the country and is significant to local, regional and national growth. Expansion is required to exploit the bench to bed research and medical development opportunities of this unique campus.

Alongside 20 acres of County Council land allocated for expansion of the campus in the 2018 South Cambridge District Council Local Plan, the County Council is promoting approximately 47 acres of land for further expansion of the campus through the emerging Greater Cambridge Local Plan. Proposals to expand the campus were included in the Draft Greater Cambridge Local Plan (REG 18) proposals, in a consultation running to 30 January 2026.

The County wishes to grant an option to a private-sector life sciences specialist developer, Prologis UK Ltd (Prologis), to acquire its land interests, on a long leasehold basis, conditional on Prologis securing planning consent required for the expansion of the Campus. Heads of Terms for the proposed option agreement are set out within this report (Confidential Appendix 7).

Recommendation: The Assets and Procurement Committee is recommended to:

- a) Approve the grant of an option agreement to Prologis UK Ltd for the disposal of land tranches on a long-leasehold basis, conditional on securing planning consent.
- b) Delegate to the Executive Director Finance and Resources, in consultation with the Chair and Vice Chair of the Assets and Procurement Committee, to authorise the execution of all legal documents necessary to exchange contracts on the terms as drafted in the draft Heads of Terms, subject to final agreement of those terms with Prologis - in particular, the provisions relating to Minimum Land Price and incentivisation for Prologis to achieve on-

target land payment to the County (relevant to the Council meeting its Best Consideration duty).

- c) Require a report to be brought back to this Committee setting out how the Council will govern the option arrangement to both maximise value and ensure the land is used effectively, as well providing clarity over the access arrangements.

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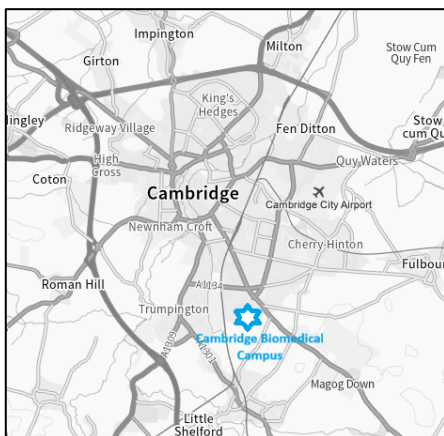
1. Creating a greener, fairer and more caring Cambridgeshire

1.1 The commercial value derived from the disposal of the Council's land asset will be used to help support the delivery of all of Council's the ambitions, with particular focus on:

- Net-zero carbon emissions through a focus on biodiversity and carbon-efficient building, as well as prioritised sustainable active travel schemes.
- Health inequalities being reduced through greater access to world-class medical facilities.
- Enabling places and communities to prosper with a resilient and inclusive economy through the breadth and scale of jobs created on the expanded site.

2. Background

2.1 The Cambridge Biomedical Campus (CBC) is at the heart of the UK's leading life sciences cluster and is the largest centre of medical research and health science in Europe. Located at the southern end of Hills Road in Cambridge, the campus already employs over 22,500 people, which will rise by a further c.23,000 employees as development progresses. It hosts leading institutions and organisations, including Cambridge University Hospitals NHS Foundation Trust, Royal Papworth Hospital NHS Foundation Trust, AstraZeneca's global research headquarters, Abcam, Wellcome Trust research facilities, Cancer Research UK, the University of Cambridge's School of Clinical Medicine, and the UKRI Medical Research Council (MRC) flagship Laboratory of Molecular Biology.



2.2 Phases 1 and 2 expansion of CBC, wrapping around the western edge of Addenbrooke's Hospital, have been delivered over the past 20 years, in line with the '2020 Vision'. This vision aimed to transform Addenbrooke's into a world-class healthcare campus by unlocking 90 acres of Green Belt for clinical, academic, and commercial biomedical development, with the goal of expanding hospital services, easing congestion, and attracting top-tier Research and Development (R&D). To achieve this, the various landowners, University of Cambridge, Cambridge University Hospitals NHS Foundation Trust, and the Pemberton Trustees, partnered with Liberty Property Trust (now Prologis) to deliver the 2020 Vision.

- 2.3 Cambridgeshire County Council ('the Council' or 'CCC') owns 20 acres of freehold land (known as Phase 3, located to the south of Phase 2). Phase 3 was allocated for life science research and development use in the 2018 South Cambridgeshire Local Plan. In addition, the Council has promoted a further 47 acres (known as Phase 4), through the emerging Greater Cambridge Local Plan process, to support and safeguard continued expansion of the Cambridge Biomedical Campus (Appendix 1: Plan of phases of CBC development). Phases 3 and 4 are currently let on a short-term 2-year farm business tenancy with a 3-month break option which can be served at any time upon planning consent being achieved (and the tenant is aware).
- 2.4 The principal landowners of CBC include the Council, the University of Cambridge, Cambridge University Hospitals NHS Foundation Trust, Prologis, and the Pemberton Trust (a local private family) (Appendix 2: Landownership plan of expanded Cambridge Biomedical Campus). Collectively known as the Landowner Collaboration Group, these stakeholders have been working together to promote the campus's densification and expansion through the development of a new masterplan.
- 2.5 Other important stakeholders in CBC include Astra Zeneca, Abcam and other major occupiers, some of whom occupy space on the basis of long-leasehold or short occupational leasehold interests. Cambridge Biomedical Campus Limited (CBC Ltd) was formed to represent the existing campus occupiers and led on the preparation of the CBC 2050 Vision, which was published in 2021 and sets out the strategic case for releasing Green Belt land for CBC expansion. CBC Ltd also plays an important role in continuing to promote the future needs of the campus at both local and national levels. Its board includes Cambridge University Hospitals NHS Foundation Trust and the University of Cambridge. CBC Ltd support for expansion has always been subject to specific conditions, including the desire for a legally binding mechanism for landowners of Phases 3 and 4 to fund new campus-wide infrastructure, and CBC Ltd have exerted influence at various stages to secure benefits for the occupiers of the campus, including the University of Cambridge and Cambridge University Hospital Trust.
- 2.6 CBC Ltd wrote to GCSP in June 2025 to set out five conditions for support of the expansion:
1. The production and agreement of an **Infrastructure Delivery Plan (IDP)** for the entirety of the Campus, including details of its phasing, and how it would be funded.
An Infrastructure Delivery Strategy has been produced and is in finalisation with all landowners and Prologis. By appointing Prologis, the County can progress with the detailed development of the IDP, however this ask is also dependent on other landowners' actions.
 2. The submission, agreement and implementation of a long-term **Transport Strategy** covering the Campus as a whole to ensure that sustainable transport options were provided at the right time to support Campus growth.
A high-level Transport Strategy has been produced for the Campus as part of the evidence based for the proposed expansion through the local plan process. Transport implications will be considered as part of any planning application, following successful allocation, and will be a matter for Highways and Transport Committee. Highlighted in this report is that the appointment of Prologis brings support for key transport infrastructure at the site.

3. Early engagement with healthcare providers about the **prioritisation of a plot for new community and mental health services** on phase 4 land.

Prologis and CCC officers have confirmed they are open to discuss the ask from Health colleagues within subsidy control allowable guidelines, although at this stage no option has been proposed by CBC Ltd.

4. The landowners should organise and lead a programme of **community engagement** to keep the community informed of their emerging thinking and proposals. Making it clear who is leading the work on Campus expansion.

Prologis will work with CCC to develop this, as promotion of the site moves forward, ensuring it is aligned with Greater Cambridge Local Plan process. Prologis have already committed to work with all stakeholders on this. Any subsequent planning application brought forward by Prologis will require community engagement in line with normal planning processes. This will be at a more detailed stage.

5. There should be a **legally binding mechanism which secures the delivery of the holistic vision and Spatial Framework for Campus growth**. It should have a particular focus on the contents of the Infrastructure Delivery Plan (IDP), including infrastructure and transport, to improve the Campus in its entirety. In essence a way to secure an infrastructure first approach to Campus growth.

The legal agreement between CCC and Prologis will meet part of this ask, whilst subsequent planning terms will also help meet this condition.

2.7 The Cambridge Growth Company (CGC) was established by the Government in 2024 to address barriers to growth and help unlock Greater Cambridge's full potential. As a subsidiary of Homes England, the Government's housing and regeneration agency, the CGC works to unlock and accelerate development and deliver the homes, jobs, and infrastructure needed for long-term, sustainable growth. The CGC is guided by an Advisory Council consisting of local leaders, including the Council, the district councils and the directly elected Mayor of Cambridgeshire and Peterborough, as well as experts who provide insight, challenge and guidance to ensure CGC's work reflects local priorities. CGC aims to play a role in facilitating the collective promotion and delivery of the expanded Campus due to its local, regional and national significance to the growth agenda. The Government has confirmed that it intends to consult on the CGC becoming a centrally led Development Corporation, with any array of associated statutory powers.

2.8 The promotion of the Council's land as part of the wider expansion of Cambridge Biomedical Campus has evolved over the last 6 years. It is a highly complex and commercially significant project, and therefore the Council has procured a range of expert market sector and technical advisors, as required, either as part of the wider Landowner Collaboration Group or separately in its own right (Appendix 3: List of consultants). The Council has acted in a role of intelligent client supported by these commercial and technical experts.

2.9 As set out in the Council's Land and Property Strategy 2023-2028, through excellent asset management of its estate, the Council will maximise the potential for property to enable and contribute to the overall Financial Strategy. Securing allocation for higher alternative use values for land through the Local Plan process is one means of achieving this. The

Council's consistent intention has been to dispose of its land interests at CBC to an appropriate market specialist life sciences developer, at the appropriate time, on advantageous market terms to ensure the Council meets its statutory duty to obtain 'best consideration' under Section 123 of the Local Government Act 1972.

- 2.10 Members considered reports on the project at the Assets and Procurement Committee on the 18th of October 2023, at Strategy & Resources Committee on 11th July 2023 and before that, Commercial & Investment Committee on 19th March 2021.

3. Main Issues

3.1 Planning Requirements

- 3.1.1 Phase 3, freehold owned by the Council, was allocated for life sciences research development in 2018 but, to date, has not been developed or disposed of since access is ransomed by multiple controlling interests on Phase 2: the Pemberton Trust, Prologis and Cambridge University Hospitals.
- 3.1.2 The Council has and continues to promote its land interests through the various stages of the emerging Greater Cambridge Local Plan process (Appendix 4: Planning history of Phases 3 & 4).
- 3.1.3 Greater Cambridge Shared Planning's (GCSP) Local Plan First Proposals Policy (Ref: S/CBC which relates to the whole expanded campus), published in 2020, required an updated masterplan for the campus, to improve the overall experience of the site for workers and visitors, maximising opportunities to improve the 'legibility' of the campus by providing a network of cycle and pedestrian routes, high quality new public realm and open space, and with a particular priority to explore opportunities for enhancing connections with the proposed Cambridge South Railway Station. Furthermore, the S/CBC Policy originally tied the release of further land for expansion (i.e. Phase 4) from the Green Belt to a range of deliverables:
- Significant Green Belt enhancement in adjoining areas of White Hill and Nine Wells will be required to provide green infrastructure and biodiversity improvements.
 - A comprehensive landscaping plan, including the delivery of new publicly accessible green space, will need to be delivered, to create a soft green edge to the city, to minimise the urbanising effects of the development and help compensate for harm to the Green Belt.
 - Design parameters regarding the scale and height of buildings will be established to respond to the landscape and townscape of Cambridge.
 - Development is dependent on the successful implementation of a Trip Budget approach, to ensure that the level of vehicle trips is limited to an appropriate level for the surrounding road network.
 - Development on the additional land will only be allowed to take place when evidence is provided that opportunities on the **existing campus** have been fully explored and utilised before development takes place on the released land.
 - Given the existing piecemeal development on the biomedical campus, any proposed

release must contribute towards improving the wellbeing of campus users and surrounding communities, as well as addressing the spill over impacts on individuals and communities of this intensive employment location.

- 3.1.4 Under National Planning Policy Framework, release of Phase 4 land from the Green Belt required the legal threshold of "Very Special Circumstances" to be met. This legal threshold requires justification for development on Green Belt land, which is normally considered inappropriate, specifically as it relates to this site and must show that it clearly outweighs the harm to the Green Belt, considering its environmental, social, and economic benefits.
- 3.1.5 Furthermore, under planning policy, development sites successfully allocated as a part of new Local Plans need to meet the deliverability test: ensuring sites are available, suitably located, achievable, viable and implementable.
- 3.1.6 The First Proposals Policy wording ensured that all the principal CBC landowners had to work together to deliver an updated masterplan for an expanded campus, to address the points in 3.1.3 to secure expansion of the campus but also to facilitate obtaining planning permission for developments on the existing campus. This included making the case for release of Phase 4 land from the Green Belt to meet the 'Very Special Circumstance' legal threshold but also demonstrating how the expanded campus would be deliverable in planning terms. Over the last couple of years, several Ministerial Written Statements relating to Cambridge Biomedical Campus have been issued to assist with the Green Belt release.
- 3.1.7 Local Planning Authority Regulation 18 consultation on the latest version of the emerging Greater Cambridge Local Plan is currently underway and closes on 30 January 2026. Adoption of the Greater Cambridge Local Plan is expected post submission of the Local Plan for public examination, Regulation 22, expected December 2026.

3.2 Disposal considerations

- 3.2.1 The Council's core disposal policy is that all surplus property should be disposed of, and that disposals should be at 'Best Consideration', to meet the requirements of s.123 of the Local Government Act 1972. Disposals are defined as the transfer of a legal interest in land (which could be a freehold sale, grant of a lease, release of restrictive covenant), other than the grant of a lease of less than 7 years in duration, which are exempt from the requirements of s.123. 'Best Consideration' is commonly accepted to be best price (e.g. Market Value or Market Rent), which would be expected to follow an open marketing process, or as certified in a formal valuation by a Chartered Surveyor (a 'Red Book' valuation), although this could be represented by the equivalent financial value of a service or other value 'in kind'.
- 3.2.2 The ability of the Council to openly market the Phase 3 and Phase 4 land has been hindered by the ransom for access and connection into existing services from Phase 2 onto Phase 3 land, and by the requirement under proposed GCSP planning policy for the integration of the Phase 4 land into the wider Campus. For the Council to maximise the potential value of the land, the 'ransom' needs to be resolved either by negotiation or, failing this, by another mechanism such as a Compulsory Purchase Order (CPO).

- 3.2.3 The Council sought expert advice on the potential to utilise CPO if agreement via negotiation was unsuccessful (Confidential Appendix 5 - Ardent CPO). The report identified two main options for utilising CPO: via support by CGC or GCSP. Whilst CPO would potentially provide a lower settlement, it would incur significant legal costs and time delay over the site's development at a time when there is clearly a need to show that the Phase 4 land is deliverable in planning terms in order to secure the allocation. Agreement for access via direct negotiation was therefore deemed the most practicable route forward.
- 3.2.4 Cushman & Wakefield, acting on behalf of the Council, have been negotiating an access deal with the freeholder of Phases 1 and 2 (Pembertons). It is understood that any ransom payment will be divided between Pembertons, Prologis and Cambridge University Hospital Trust. Negotiations with the Pembertons on the ransom remain on going. These will need to be resolved in conjunction with Prologis if the decision to appoint Prologis as the County's developer is to be enacted. At this stage, not having reached a negotiated position with the Pembertons does not detract from the ability to endorse the terms of an agreement with a developer such as Prologis. An Access Agreement can and will come to a future Asset and Procurement Committee for approval at the appropriate time.
- 3.2.5 Prologis (previously Liberty) were the developers appointed by the Pembertons for the earlier phases of campus expansion and also hold access rights in connection with our Phase 3 land, but importantly also have significant investment in and knowledge of the site and the 2020 and 2050 visions. As such, the Council has looked to grant the option to them, over appointing a developer via a competitive process. Legal advice on the procurement implications of a direct award to Prologis, without open marketing, as well as other procurement law options, was sought by the Council prior to entering negotiations directly with Prologis (Confidential Appendix 6: Procurement Advice from Browne Jacobson).
- 3.2.6 The advice is legally privileged and confidential but confirms that there is an ability to make a direct award to a supplier to develop land, pursuant to paragraph 5 of Schedule 5, Procurement Act 2023 so long as the Council can justify and evidence that: -
- Prologis has exclusive rights over land within the area to be developed for Phases 3 and 4;
 - The land Prologis owns is critical to the area proposed to be developed for Phases 3 and 4;
 - There is no reasonable alternative site for the Phases 3 and 4 development to take place; and
 - This absence of competition is not a result of the Council artificially narrowing down the parameter of the procurement.

3.2.7 The Council is content that:

- 3.2.7.1 the land identified to be developed for Phases 3 and 4 represents the only viable graduation for the Campus expansion and Phases 3 and 4 could not be undertaken on alternative sites. This is not due to any scoping of the procurement to favour Prologis but based on the requirements for expansion of the Campus for Phases 3 and 4;
- 3.2.7.2 while Prologis does not own all of the land to be developed within the planned development boundary for Phases 3 and 4, it does own land within and adjacent to the boundary which prevents a third party being able to access and develop the Phases 3 and 4 site;
- 3.2.7.3 Prologis would not consent to another developer undertaking development on land it owns, or accessing the Phase 3 and 4 site via land Prologis owns

3.2.8 The Council is content that the tests required to make a direct award to Prologis, pursuant to paragraph 5 of Schedule 5, Procurement Act 2023 are met. In addition, the Council is content that Prologis is a world-class, market-leading specialist developer, with a proven track record in life science and placemaking development and with significant funding to deliver this scale of development over the next couple of decades. Also having one developer across the whole campus gives the ability to create and shape a coherent and consistent place and campus. The remainder of this report sets out the work that has taken place with Prologis and an assessment of Prologis' proposal to make a direct award of the development and promotion rights to Phases 3 and 4 to them as developer of choice.

3.3 Prologis Bid

3.3.1 Prologis is one of the largest property developers in the world bringing significant funding as well as experience. They also have no other interest in the areas surrounding CBC which enables focus on development; and the process of drafting Heads of Terms has treated the deal as if it were a competitive process and as such negotiations have drawn on external advice to ensure best value compared to the market has been achieved on all aspects, such as developer fees and discount.

3.3.2 Prologis, using all its development skills and relevant expertise, is to promote the land for a biomedical campus development and ancillary uses, based on an agreed masterplan, under the terms of an option agreement as set out below: -

- The Option Agreement will be granted for a 40-year period subject to break rights in favour of the County at 10-year intervals from the date of grant of a Satisfactory Planning Permission.
- Break Rights may only be exercised under certain conditions.
- Upon grant of a Satisfactory Planning Permission, Prologis will have the ability to draw down tranches of the land for development under the terms of a long ground lease of 200 years. Each lease will be granted for a premium at a peppercorn rent.
- The land value will be determined in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards 2020 (The Red Book), or as later

amended and will be in accordance with the definition of Market Value (calculated on a residual basis) assuming a range of agreed assumptions.

- A Minimum Land Value will protect the Council's interests.
- Prologis will be required to deliver a minimum quantum of floor space within each 10-year period following the grant of Satisfactory Planning Permission.
- The County, as landowner, will have rights of approval over the planning strategy, masterplan or any variation to it and any major planning applications. Prologis will be required to update its business plan for the development on an annual basis.
- The agreed masterplan and phasing strategy will set out the location and timing of the implementation of campus infrastructure, which will include the Southern Access Road, Cambridge South East Transport (CSET) project, a Community Action Fund, Innovation Centre, Hotel & Conference Facility and new public park.
- The Option Agreement will also require Prologis to secure necessary access and services rights in favour of Phases 3 and 4 from the existing campus.

Full details of the draft Heads of Terms are available in Confidential Appendix 7 – Confidential Heads of Terms)

3.3.3 Whilst it does not affect the legal position, Prologis has produced an Evidence Pack (Appendix 9 Direct Award Evidence Pack) detailing why it is a suitable developer for Phases 3 and 4, in particular:

- its ability to attract and fund the level of investment required for a life sciences site of this scale and nature; resulting in a commitment of £3 billion investment and accelerated delivery.
- its ability to shape and deliver an expanding world-class life sciences campus based on a proven track record of place-making; resulting in a commitment to the early delivery of the Southern Access Road, confluence plaza and key public realm, innovation and incubator facility as well as two new hotels and a conference facility.
- its environmental and social initiatives, which will benefit the expanding campus and the wider community; resulting in a commitment for early delivery of an Amenity Hub and an ever-green Community Action Fund of £4m, the creation of apprenticeships and work placements, opening up training opportunities across the campus and the wider community.
- its intended approach to robust governance for the multiple stakeholders involved in the existing and expanded campus; resulting in a new governance structure involving all key campus landowners and wider commercial life sciences specialist and public-sector stakeholders to ensure cohesive, co-ordinated and comprehensive delivery of the whole-campus masterplan. It is proposed, as a part of this new governance structure, that the Director of Public Health will represent the Council on the Place Advisory Board.

3.3.4 The bid includes evidenced positive engagement with the Ministry of Housing Communities and Local Government (MHCLG), which has set out its expectations for Prologis to formalise funding arrangements with Cambridge Growth Company for a significant forward

funding in CSET and the Southern Access Road, which runs through Phases 3 and 4 and integrates into the heart of the existing campus and centre of the new Addenbrooke's as it is developed, in addition to several other initiatives. The favourable interest rate associated with such a loan allows infrastructure projects of the scale of CSET and the Southern Access Road, subject to planning being obtained for each project, to commence at the start of the Phase 3 and 4 project without burdening the project with risk or delay in the early stages.

3.3.5 Evaluation of Prologis Bid

The County's commercial advisor, Cushman & Wakefield, has evaluated the key terms of the proposed Option Agreement and provides assessment on whether they are consistent with Best Consideration for the County. The detailed evaluation is attached in Confidential Appendix 8. The key points considered were:

- Design of draw-down disposal model
- Rate of Build out
- Up front funding of Southern Access Road and part of CSET
- Approach to pricing service plots of land
- Development Management Fees
- Developer's Discount
- Profit on Cost
- Financial Costs
- Incentivisation for Prologis to optimise land receipts for the landowner

Cushman & Wakefield recommend that further negotiation is only required to finalise acceptable main terms on incentivisation which links with minimum land value.

3.3.6 Cushman & Wakefield has also produced an overarching summary report assessing the merits of the deal, including Best Consideration as above, but also the cash flow and other aspects of the deal (Confidential Appendix 10) including: the financial standing of Prologis Ltd; the benefits of continuity from Phases 1 & 2 ensuring as seamless expansion of the campus as possible; the commercial benefits of the direct award to expedite the commencement of Phase 3 and 4; Prologis's track record in delivering multi-phase projects involving substantial infrastructure requirements and multi-decade programmes

3.3.7 In summary the appointment of Prologis as developer-investor for Phases 3 and 4 offers many advantages. Given Prologis's incumbent position as the developer of Phases 1 and 2 of Cambridge Biomedical Campus and that connecting into Prologis's infrastructure on Phases 1 and 2 is essential for bringing forward Phases 3 and 4, Prologis have clear advantages over any potential alternative developers.

3.3.8 That aside, Prologis's financial standing, its proven track record in delivering complex, multi-phase schemes involving major infrastructure works, and their experience in the life sciences sector make a strong case in terms of capabilities.

- 3.3.9 In relation to the commercial terms negotiated to date for a contractual agreement with Prologis, the structure and model of land disposal is recommended as the most appropriate and value generative available in the context of the current market, investor appetite and economic conditions. The value and risk-sharing terms of the proposed contract (the combination of Profit on Cost percentages, development management fees and Developer's Discount) are generally at least in alignment with market norms, and in some instances evidence is available that they represent improvements on market norms.
- 3.3.10 However, on the twin issues of Minimum Land Price and incentivisation for Prologis to achieve on-target land value for the landowners (in accordance with cash flow forecasting), negotiations have not yet reached their end point. On Minimum Land Price, good progress is being made and we are confident of arriving at an agreeable solution. On incentivisation beyond MLP – i.e. to achieving on-target land receipts, and not just minimum hurdle values further work is required to reach agreed terms. This is a complex matter and good progress has been made in overall negotiations, and this point has simply not been able to be bridged in the timeline for this report, officers remain confident this matter can and will be addressed. The point of incentivisation has been flagged by the County's lawyers, Browne Jacobson, as being significant for providing assurance that Best Consideration is being achieved for the deal in the round.
- 3.3.11 Whilst this does not negate from the strengths set out that Prologis should be appointed and officers support the direct award, it is recommended that Council Officers and their advisors are instructed to proceed with converting the Heads of Terms into draft legal documentation and alongside to continue to negotiate with Prologis to achieve an acceptable position on Minimum Land Price and incentivisation to deliver on-target land receipts. Final terms will be subject to legal review in relation to compliance with Best Consideration requirements.
- 3.4 It is important to highlight the following relating to public health, local engagement and communications and resources: -
- (a) Public health activity: improved outcomes in certain medical treatment are recognised outcomes for the unique symbiotic relationship on the Cambridge Biomedical Campus between academic public research, health and private life science research.
 - (b) Member Briefings Sessions on the developing expansion proposals were delivered on 4th June 2024 and 15th September 2025. CCC Officers also presented to public at GCSP Community Forum on the expansion proposals on 23rd October 2024.
 - (c) The Council procured a range of expert market sector and technical advisors, as required, either as part of the wider Landowner Collaboration Group or separately in its own right (Appendix 3: List of consultants). The Council has acted in its role of intelligent client supported by these commercial and technical experts.
- 3.5 It is recognised that the proposed term of this disposal may extend beyond April 2028 and therefore beyond the timetable for Local Government Re-organisation. Officers have considered this and determine this to be necessary because the option agreement will secure best value for money both now and in the future.

4. Alternative Options Considered

4.1 The alternative options considered, in formulating the recommendations contained in this report, are:

Options	Benefits and outcomes	Challenges and risks	Financial implications
<p>Option 1</p> <p>Members to reject deal, on grounds of Best Consideration</p>	<p>Land remains in County Council's ownership</p>	<p>No appointed developer and lack of detailed design/ phasing proposals for the expanded campus within the next 3 months, could give GCSP grounds to not allocate the Phase 4 land and potentially deallocate Phase 3 as undeliverable.</p> <p>If allocation is unsuccessful, risk of compulsory purchase by another public body to unlock the development site and ensure it is deliverable e.g. Cambridge Development Corporation, reducing expected returns for the Council significantly.</p> <p>CCC Members lose long-term control and influence over site development over the next twenty-five years and asset management thereafter (potentially for the duration of a long lease in favour of a Development Corporation).</p>	<p>Potential loss of substantial capital receipt for both Phase 3 and Phase 4.</p> <p>Capital receipt derived from land transfer under CPO will be in line with Compulsory Purchase legislation only. Potential risk of loss of Hope Value associated with Phase 4 (expectation of higher value in future).</p>
<p>Option 2</p> <p>Proceed with granting an option to Prologis</p>	<p>Development of upcoming detailed stages of the Local Plan evidence bases will be commercially informed by the appointed developer, which provides</p>	<p>Third-party legal challenge to Direct Award, which results in damages and other costs payable by the Council.</p> <p>Appropriate specialist technical advice required for the long-term management of the development agreement</p>	<p>Potential for significant capital receipts over the lifetime of the agreement</p> <p>Forward funding for Southern Access Road and Cambridge South East Transport (CSET) corridor by Government/Developer</p>

Options	Benefits and outcomes	Challenges and risks	Financial implications
	<p>confidence and certainty to Greater Cambridge Shared Planning.</p> <p>Prologis reimburses County Council for all historic promotion costs.</p> <p>Appointment of the developer reduces risk of Phase 4 not being allocated and Phase 3 deallocated.</p> <p>The County Council and successor council(s) retain long-term stewardship of the land via the leasehold structure and development agreement.</p> <p>At least Minimum Land Value secured at draw down and potentially substantially more.</p> <p>Potential for additional capital receipts through leasehold re-gearing (as applicable).</p> <p>Direct Award Evidence Pack demonstrates how Prologis delivery plan for Phase 3 & 4 benefits local and</p>	<p>by the County or successor authority post LGR.</p>	<p>Cost of long-term management of the development and option agreement by the County or successor authority post Local Government Reorganisation (LGR).</p>

Options	Benefits and outcomes	Challenges and risks	Financial implications
	wider community.		
<p>Option 3</p> <p>Members reject option deal, on grounds of Best Consideration and instruct officers to pursue sale to another party as promoter-developer</p>	<p>The Council seeks to test the market to secure a developer or sell the land to another party for them to develop.</p>	<p>Delay in securing a buyer may not secure better terms, given that the party would still need to resolve Phase 3 access rights with the Pembertons and Prologis. This is likely to impact on the number of potential bidders and any value associated with that.</p> <p>This will also bring further uncertainty and delay that could impact on access negotiations, other land owners and occupiers confidence, as well as GCSP's assurance of delivery thus potentially affecting allocation.</p> <p>The County Council, as with option 1, also potentially lose control and influence over development over the next twenty five years as it is not clear what the market may expect.</p> <p>Even if a competitive process could generate an attractive financial alternative to Prologis, it is questionable whether a competitor supplier could offer superior development capabilities and risk profile in the circumstances. A significant advantage of the Prologis option is that they have embedded knowledge of the campus, have a clear advantage in being able to mobilise more quickly than a competitor and deliver a more seamless and efficient transition from Phases 1 and 2 to Phases 3 and 4 than any other party, who would</p>	<p>Potential Best Consideration may be easier to assess but does not guarantee any higher gain share for the Council given the access risks to be resolved.</p>

Options	Benefits and outcomes	Challenges and risks	Financial implications
		unavoidably need to grapple with a complex interface with Prologis as the Phases 1 and 2 developer.	

5. Conclusion and reasons for recommendations

5.1 Option 2 is recommended, i.e. the grant of an option agreement to Prologis Ltd on the basis of the draft Heads of Terms, subject to legal agreement, Appendix 7: Confidential Heads of Terms, as this will achieve:

- Best Consideration for the County Council
- significant funding via Prologis for the delivery of CSET and Southern Access Road,
- contractual commitment to minimum levels of delivery of commercial life science space with specified periods of time,
- influence for the County Council as landowner over the place-making process in line with the Council objectives
- appropriate integration of the campus within the wider local communities

6. Significant Implications

6.1 Finance Implications

The Council has invested approximately £1m (capital) to promote its land asset. A budget has been allocated to continue to promote the land assets until the option agreement is completed. Once the option is completed, Prologis Ltd will reimburse all historic costs and fund all future promotional and planning application expenses.

It is suggested that under current arrangements the council does not have the commercial skill sets to develop this site, nor did it ever intend to be a developer for this site, given the resources required and risks entailed. Granting an option to a market-sector specialist life sciences developer derisks the delivery of the project for the council whilst maximising the opportunity of financial returns to the County Council. This is in line with standard commercial market practices for a development site of this scale and nature. This thus gives greater opportunity for realisation of receipts.

A minimum land value will be agreed for commercial plots, with plot-by-plot pricing determined at the point of drawdown in accordance with open market value. Forecasts of the financial outturn of the project are included in Section 6 of the report from Cushman and Wakefield included in the appendices. Based on Cushman and Wakefield's sensitised version of the forecast cash flow, the County could expect to achieve a Net Present Value of land receipts in the order of £50-70m. Negotiations with Prologis are ongoing in relation to setting a Minimum Land Price for the draw down of commercial plots, with the intention of setting a 'floor' to the NPV of land receipts. Negotiations are targeting to set the Minimum Land Price at a level that generates an NPV of at least £40m to the County (in the scenario that all draw-downs throughout the project are at MLP and no more).

If the Phase 3 and Phase 4 land are not disposed of to a suitable developer, there is a significant risk that the land may be compulsorily acquired by the proposed Cambridge Development Corporation or another public body. This would yield a lower financial return than offered under Option 2.

Following the successful completion of the proposed option agreement with Prologis, the Council will need to appoint an experienced market-sector specialist agent to monitor development proposals, ensure compliance with legal obligations, oversee and manage the draw down of land under the agreement to safeguard the Council's long-term interests. Appropriate funding will be allocated to this, which is likely to include capital receipts.

6.2 Legal Implications

Property Law

The Heads of Terms are still currently subject to commercial negotiation between the Council and Prologis.

Once the commercial terms are agreed, the Option Agreement, forms of Lease and other associated documents (e.g. Access/Services Easement) will be drafted and negotiated between the respective parties' legal teams. The terms of those documents will be subject to a legal property title review (to be undertaken by Browne Jacobson, and title deduced to Prologis' lawyers), which will (1) identify whether there are any adverse title matters that need to be resolved/mitigated against in light of proposals for the development of the site and (2) enable the legal teams to ensure that appropriate rights are granted/reserved over the correct parts of the site as each tranche is drawn down.

Public Procurement Law

From a public procurement law perspective, the Council may dispose of land without being required to undertake a competitive procurement exercise. This so-called "land deal" exemption is detailed at paragraph 8, Schedule 2 Procurement Act 2023. However, a land disposal coupled with development obligations in respect of the future development or operation of a site do not fall within the "land deal" exemption. As part of the Council's disposal of the land, it is seeking to exercise a level of control over the future development of the Campus through directing Prologis to develop the site, attendance at progress update meetings and involvement in the masterplan of the Campus, so this land deal exemption is not a suitable public procurement route.

While a competitive procurement would usually be required in respect of an arrangement imposing development obligations on a developer, Schedule 5 of the Procurement Act 2023 includes direct award justification which set out circumstances where a public body may make an award without a competitive procurement. Paragraph 5 of Schedule 5 permits a direct award where an organisation has exclusive rights meaning that only that organisation may supply works, goods or services; and there are no reasonable alternatives to those works, goods or services. Cabinet Office guidance on Direct Awards confirms that exclusive rights can include ownership of land which means that the owner of the land has a right to determine which supplier can deliver works on that land. The guidance also recommends that public bodies consider whether there are alternatives available.

As set out in section 3 of this report, the Council is content that:

- (i) the land identified to be developed for Phases 3 and 4 represents the only viable graduation for the Campus expansion and Phases 3 and 4 could not be undertaken on alternative sites;
- (ii) this is not due to any scoping of the procurement to favour Prologis but based on the requirements for expansion of the Campus for Phases 3 and 4;
- (iii) while Prologis does not own all of the land to be developed within the planned development boundary for Phases 3 and 4, it does own land within and adjacent to the boundary which prevents a third party being able to access and develop the Phases 3 and 4 site; and
- (iv) Prologis would not consent to another developer undertaking development on land it owns, or accessing the Phase 3 and 4 site via land Prologis owns.

There is a good argument that the tests required to make a direct award to Prologis, pursuant to paragraph 5 of Schedule 5, Procurement Act 2023 are met, such that the likelihood of a successful procurement law challenge is medium-low (30-50%), applying the Attorney General's Guidance of Legal Risk. The benefit of this approach, over a simple land disposal, is that the Council may attach development controls on Prologis as part of the disposal without inadvertently breaching the Procurement Act 2023.

In making a direct award to Prologis, the Council is required, pursuant to the Procurement Act 2023 (sections 44, 50 and 53) to publish:

- (i) a transparency notice indicating its intention to make a direct award to Prologis pursuant to Schedule 5, Procurement Act 2023;
- (ii) a contract award notice prior to executing contracts indicating its intention to enter into contract with Prologis (accompanied by an eight-working day standstill period);
- (iii) a contract details notice with information in respect of the contracts within 30 days of their execution; and
- (iv) copies of the contracts themselves within 90 days of execution of contracts.

There is a risk that a third party could seek to challenge the ability of the Council to make a direct award to Prologis, but this risk is mitigated by the factual circumstances underpinning the Council's decision to make a direct award to Prologis. In addition, the fact that the notices will publish details of the proposed transaction presents a practical risk mitigation, as legal challenges under the Procurement Act 2023 are required to be issued in the High Court within 30 days of a challenger's "knowledge" of grounds for a claim. This "knowledge" period would commence on publication of the transparency notice and expire 30 days from publication of that notice. As this will be before the Council is contractually committed, it presents an opportunity for the Council to resolve any challenge before being bound by contractual obligations

If a challenge were successful at this pre-contract stage, it would prevent the Council being able to enter into contracts with Prologis in respect of the Phases 3 and 4 development; and potentially a damages award to a challenger.

Please see Confidential Appendix 6: Procurement Advice from Browne Jacobson for a consideration of the merits of other options available to the Council.

Best Consideration

Sale of Council-owned land is subject to section 123 Local Government Act 1972 to secure best consideration. Browne Jacobson has not been instructed to advise on whether the Council has met its obligations in respect of section 123 but notes that this requirement applies to the Council.

6.3 Risk Implications

If the Phase 3 and Phase 4 land is not disposed of to an appropriate developer, there is an appreciable risk that the land will be compulsorily acquired by the Development Corporate or other body.

6.4 Equality and Diversity Implications

On consultation with the EDI Team, a completed Equality, Impact Assessment (EqIA) is not required at this point in time. Prologis, as the developer, will be bring forward a planning application at the appropriate time, and it is at that point that an Equality Impact Assessment will be undertaken by colleagues as part of the County's statutory planning role, as per any other major application process.

6.5 Climate Change and Environment Implications

Prologis' commitment to ESG initiatives, including in the design and construction of their buildings, is set out within the Direct Award submission (Appendix 9 Direct Award Evidence Pack).

The County is providing a large area of its own land to form the proposed Strategic Enhancement Area and Landscape Improvement Area which provide ecological and amenity (appropriately designed) benefits to the campus and the wider community.

Prologis, as the developer, will bring forward a planning application at the appropriate time, and it is at that point that Climate Change and Environmental Implications will be undertaken in consideration by colleagues as part of the County's statutory planning role, as per any other major application process.

7. Source Documents

7.1 Any supporting or background documents which have been relied upon to a material extent when preparing the report which are not confidential are listed here.

Appendices

Appendix 1: Plan of phases of CBC development

Appendix 2: Landownership Plan of extended Cambridge Biomedical Campus

Appendix 3: List of Consultants

Appendix 4: Planning History of Phase 3 & 4
Appendix 5: (Confidential) Ardent CPO Advice
Appendix 6: (Confidential) Procurement Advice Browne Jacobson
Appendix 7: (Confidential) Prologis Heads of Terms
Appendix 8: (Confidential) Cushman & Wakefield Detailed Assessment of Prologis Deal in terms of Best Consideration
Appendix 9: Direct Award Evidence Pack
Appendix 9: (Confidential) Direct Award Appendix A Developers Discount
Appendix 9: Direct Award Appendix B External Consultants
Appendix 9: Direct Award Appendix C Public Partnership Case Studies
Appendix 10: (Confidential) Cushman & Wakefield Overarching Analysis Report and Recommendation, including Cashflow

Please see the link attached to a summary introduction to Prologis.

[53188 Prologis Proposal CBC GrowthDoc](#)