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WORCESTERSHIRE COUNTY COUNCIL

RECORD OF OFFICER EXECUTIVE DECISION

Date Of Decision	<p><i>The purchase of additional £200,000 of preference shares in Malvern Hills Science Park Ltd.</i></p> <p><i>The purchase of preference share will occur on or by 1st of October which gives the company three months to obtain the necessary full board approvals to increase the issued share capital.</i></p> <p><i>To maintain the delivery programme for phase 4 Worcestershire County Council and Malvern Hills District Council will enter into a down payment agreement that will see transfer of funds to MHSP Ltd conditional on the issue of preference shares (quantity to be determined).</i></p> <p><i>9th July 2015</i></p>
Decision Maker	<p><i>John Hobbs, Director of Business, Community and Environment and Sean Pearce in consultation with the leader of the Council and Deputy Leader and Cabinet Member for Economy, Skills and Infrastructure</i></p> <p><i>.</i></p>
Brief Description Of Decision	<p><i>In October 2014 WCC purchased £3.5m of preference share in MHSP Ltd to enable the development of MHSP Phase 4 building and occupation by UTC (United Technologies Corporation).</i></p> <p><i>During excavation of the phase 4 development plot a volume of contaminated material, including asbestos, was found on the site, material that had to be dealt with under statutory legislation. MHSP Ltd is not in a position to fund the additional costs of dealing with the material and to maintain the construction programme.</i></p> <p><i>The total cost of additional works is £240,000 and The County Council and Malvern Hills District Council as the principle shareholders have agreed to fund £200,000 and £20,000 respectively, MHSP Ltd funding the balance from remaining project contingency.</i></p> <p><i>The delegated authority for the share purchase by WCC was set out in Cabinet Paper of the same name dated March 2012. Authority was given to DPEP (now DBEC following the function) in consultation with Leader, Simon G and Director of Resources. The approval provided for investment of up to £4m in share acquisitions to deliver the phase 4 building.</i></p> <p><i>The purchase of additional £200,000 of additional shares falls within this original approval.</i></p>

Reason(s) For Decision	<i>To enable delivery of project in accordance with Cabinet approval, and maintain the established development programme.</i>
Alternative Options Considered And Rejected	<i>A robust site investigation was carried out through project design phase. The scale of the contamination found was unexpected and an extraordinary cost to the development over and beyond contingency provisions made.</i>
Any Conflict of Interest declared by a consulted Cabinet Member/ any dispensation granted	None

July 2015