

SCIENCE CITY REPORT FROM EXECUTIVE BOARD TO COUNCIL

28 MARCH 2011

Recommendations to Council from Executive Board

As noted in the Progress report below the position of ONE North East with regard to their ownership of part of the Science Central site is nearing resolution. The University may have to act swiftly in the event that the Department for Business, Innovation and Skills gives its consent to ONE North East to dispose of the land to the University and the City Council. The valuation is still awaited. There is a possibility that the University's share of the purchase may be slightly more than Executive Board's delegated authority. Therefore, on advice from Finance Committee, Council is asked to delegate authority to the Chairman of Council, in consultation with the Deputy Chairmen and the Treasurer, to agree the final terms and conditions for the exercise of the University's option. The transfer is outside the scope of VAT and we have been advised by Dickinson Dees that the required legal agreement should be both short and non-contentious.

Council is requested to:

- (a) Note the latest progress with the Newcastle Science City programme

And in connection with the proposed disposal by One North East of its share of the Science Central land

- (b) Agree that the University should exercise its options under the partnership agreement with One North East and Newcastle City Council to jointly purchase (with the City Council) One North East's share of the land; and
- (c) Delegate authority to the Chairman of Council, in consultation with the Deputy Chairmen and the Treasurer, to agree the final terms and conditions for the exercise of the University's option; and
- (d) Authorise the Executive Director of Finance or the Director of Estates to execute any legal agreements required to complete the above transaction.

PROGRESS REPORT NEWCASTLE SCIENCE CITY

Introduction

This report outlines progress on the Newcastle Science City (NSC) programme.

Science Central Masterplan

Planning Application Development

The Planning Application for the Masterplan has been submitted to Newcastle City Council.

Gateway Building and European Regional Development Funding

Work on the development of the Gateway Building continues. A Design team have been appointed and initial design work will commence shortly. An ERDF application has been prepared. The City Council will take on lead responsibility for the ERDF process.

Geothermal Borehole

Following the approval by Department for Energy and Climate Change of the project proposal to the level of £400k the work on the Geothermal borehole has commenced on site.

Interim uses of Site

A Carbon capture garden has been created (EPSRC research grant) by Professor David Manning, Professor of Soil Science, School of Civil Engineering and Geosciences.

Regional Growth Fund

The outcome of the Regional Growth Fund application is still awaited.

ONE and their land asset

One North East submitted its asset disposal plan to central government at the end of January 2011. ONE North East have yet to receive a formal response to their proposals, however, there is a strong expectation that, as a minimum, approval will be given to those elements of the plan which propose disposal for cash. This would include the Science Central land.

Under the terms of the partnership agreement, there is a six month period during which the City Council and/or the University can exercise an option to buy out One North East's interests at an agreed independent valuation. Newcastle City Council's Executive has recently given formal approval to the City Council exercising this option. One North East has engaged GVA Grimley to carry out the required valuation. We have yet to receive the final results of the valuation but initial views are that the result will be acceptable to the University and consistent with previous indications given to Council.

Taxation issues

The transfer of the land referred to in the previous section is outside the scope of VAT.

Joint Venture with the City Council

Once the ONE North East land issue has been resolved work will be finalised on the Joint Venture. Discussions are at an advanced stage with the City Council and the process should be much more straightforward with only two partners. The principle of equal decision making power has been agreed notwithstanding that the area of land owned by the City Council will be larger than the University (as a consequence of land previously under the Bridging Newcastle Gateshead programme). When the discussions on the Joint Venture are fully developed recommendations will be brought forward to Council, via Finance Committee.

NSC Ltd

The Vice-Chancellor and PVC (R and I) have commenced discussions with the City Council with regard to the future development of NSC Ltd.

Professor Nick Wright, on behalf of Executive Board

16 March 2011