

MID SUFFOLK DISTRICT COUNCIL CABINET MEMBER UPDATE

From: Councillor Nick Gowrley, Leader and Cabinet Member for Assets and Investment	Report Number: CMU25
To: Council	Date of meeting: 25 October 2018

TO PROVIDE AN UPDATE FROM THE CABINET MEMBER FOR ASSETS AND INVESTMENT

1. Overview of Portfolio

- 1.1 Property investment to generate income and regenerate local areas
- 1.2 Make best use of land and buildings across the Suffolk system
- 1.3 Manage our corporate assets effectively

2. Recommendation

- 2.1 This report is for information.

3. Key Activities/Issues Over the Past Three Months

- 3.1 At the Cabinet meeting in June the decision was taken to submit a bid for a strategic property and site within Stowmarket. The Council's bid was successful, and contracts exchanged in August for the former Aldi building on Gipping Way, which is adjacent to other public car parks owned and operated by Mid Suffolk DC. Completion of the purchase is set for January 2019 however a licence to operate the car park has been entered into enabling the use of this site for public car parking before completion occurs. Agents have been appointed to identify new occupiers for the building.
- 3.2 At the same Cabinet Meeting in June it was agreed to allocate £3million from the Growth and Efficiency Fund towards an Investment Fund, to support the purchase of strategic property and land within the district. This fund will allow the Council to react in a proactive and more commercial way to secure property and land within the district. A subsequent report has now been approved by Cabinet setting out the process, putting the delegations in place and confirming the budget for any such acquisitions will come from the Growth & Efficiency budget.
- 3.3 Plans for the regeneration of the Council's Former Head Quarters site in Needham are progressing well. Indicative terms have been agreed with a retailer for a convenience store on the site. A planning application will be submitted at the end of the month.
- 3.4 The acquisition of the Foyer, in Stowmarket completed in August and is now open and providing temporary homeless accommodation.

- 3.5 The Government launched the additional HRA borrowing programme in June this year with a closing date end of September, Councils located in high affordability pressure areas were able to bid to borrow more to increase their headroom to bid to build more council housing. We made a bid to increase headroom by approximately £16.9m. At the Conservative conference in early October, a pledge was made to remove the borrowing cap to encourage more council house building in the future. The details of this pledge, including the timescale for its implementation, are still to be announced.
- 3.6 External redecoration works to the former Natwest Bank in Stowmarket will commence at the end of the month. Progress has been made with a partner to deliver a temporary offer at the property over the Christmas period and into early Spring. Marketing continues to identify a longer-term tenant for the building.
- 3.7 In October 2017, Cabinet and Council approved the recommendations to acquire land known as Gateway 14, Stowmarket via a special purpose vehicle (now known as Gateway 14 Limited) owned by MSDC. Completion of the purchase of this site by Gateway 14 Ltd occurred in August 2018.

4. Future Key Activities

- 4.1 Detailed work is currently being undertaken to review the options available to the Council, to assist the house building programme, with regards to construction and funding. Options will be presented to the Cabinet in December, to enable an appropriate vehicle to be selected to assist the Council in building homes (Market Sale and Affordable) across all its development sites.
- 4.2 Public consultation for the proposed development of the former Middle School in Stowmarket will be undertaken in November.
- 4.3 Gateway 14 Limited are progressing their strategy for delivering the development of the site. A report will be taken to the November Cabinet in respect of working capital and a subsequent report in the new year will set out delivery options and models for consideration.

5. Conclusion

There has been a lot of activity and some exciting recent developments over the last few months, and this is set to continue as we look to utilise assets as a way of developing our district and to generate additional income for the Council.