

## MID SUFFOLK DISTRICT COUNCIL CABINET MEMBER UPDATE

<b>From: Suzie Morley, Leader and Cabinet Member for Assets &amp; Investments</b>	<b>Report Number: CMU1</b>
<b>To: Council</b>	<b>Date of meeting: 26 September 2019</b>

### TO PROVIDE AN UPDATE FROM THE CABINET MEMBER FOR ASSETS & INVESTMENTS

#### 1. Overview of Portfolio

- 1.1 This report summarises the key areas of activity for quarter 1 & 2 and sets out the priorities for the following 3 months.

#### 2. Recommendation

- 2.1 That Council notes the report.

#### 3. Key Activities since May

*Company Activities BDC (Suffolk Holdings) Limited, MSDC (Suffolk Holdings) Limited, CIFCO Capital Limited, Babergh Growth Limited and Mid Suffolk growth Limited*

- 3.1 In June this year new Councillor directors were appointed to the Council owned companies. The process for their induction and training has been successfully completed together with providing training for all Councillors who elected to attend the training sessions. The directors for all the Councils owned companies can be found within Appendix A.
- 3.2 In July the Council approved CIFCO Capital's Business Plan for 2019/20 and this was adopted by the board of CIFCO in August. CIFCO Capital Ltd also held their Annual General Meeting (AGM) in August, where the Chairman presented an update of trading activities over the previous year. The AGM was well attended with a useful discussion and debate being undertaken at the event.
- 3.3 Babergh Growth Ltd was incorporated in March 2019 as a joint venture vehicle for housing and growth developments. The first project for Babergh Growth is to deliver the redevelopment of the former Babergh Council HQ site in Hadleigh. Babergh Growth has appointed a project team and is developing the detailed delivery drawings and scheme for this development, following the resolution to grant planning earlier this year.
- 3.4 Mid Suffolk Growth Ltd was also incorporated in March as a joint venture vehicle for housing and growth developments. The first project for Mid Suffolk Growth is to deliver the redevelopment of the former Mid Suffolk Council HQ site in Needham Market. Mid Suffolk Growth has appointed a project team and is developing the detailed delivery drawings and scheme for this development, following the resolution to grant planning earlier this year. In addition, Mid Suffolk Growth has been instructed to assist in the delivery of the new café and visitor centre at Needham Lakes.

- 3.5 Gateway 14 Limited acquired the adjacent site known locally as Stowmarket East (or Phase 2) in August. This land is allocated for employment uses to provide a new business and logistics park alongside Gateway 14's existing landholding.
- 3.6 The land is used currently for agricultural purposes but has outline planning permission for business and industrial development (Use Class B1A, B1B, B1C, B2 and B8). In addition, the permission also allows for up to 540 sq metres of Use Class A4 and up to 425 sq metres of Class A3/A5. There is the potential to build more than a million square feet of logistics, warehousing, advanced manufacturing and business space.
- 3.7 The purchase of the neighbouring land enables Gateway 14 Ltd to control the development of the whole site, maximising use of the land and ensuring a more comprehensive and cohesive overall development which is planned and phased according to market needs.
- 3.8 Gateway 14 Ltd is in advanced discussions with a shortlist of parties who are seeking to become their development partner. The selection of a development partner could facilitate the land being brought forward in a commercially viable manner and continue to meet the Council's objectives to stimulate the economy and increase employment within the district. The board of Gateway 14 Ltd will make its recommendations to the board of MSDC (Suffolk Holdings) Ltd and subsequently a paper being presented to Council later this year.

#### *Strategic Asset Management*

- 3.9 In March 2019 Babergh Cabinet approved the sale of land in Sudbury for the development of a new Health Centre and Public Sector Hub, terms have been agreed and solicitors instructed. Part of the proposed site was not registered with the Land Registry and this has now been successfully registered. Contracts with the purchaser are being negotiated to enable a conditional exchange of contracts later this year. A wider land registration project has also been commenced to complete the registration of all unregistered Council assets over the next year.
- 3.10 A public engagement exercise has recently been launched in respect of the future use of Belle Vue House. The closing date for proposals is 1<sup>st</sup> November. The engagement exercise includes a pack of background information being made available for interested parties together with viewing days and an expression of interest document. The Council is looking to submit a planning application for the neighbouring former swimming pool and adjacent land later this year once detailed proposals have been developed.
- 3.11 Terms have been agreed with an occupier to take a lease of approximately 2/3rds of the Former Aldi Premises in Stowmarket. This will see the property split into 2 self-contained units.
- 3.12 The former Natwest Bank in Stowmarket was let to the John Peel Centre on a short-term basis earlier this year. Negotiations are underway for a longer-term arrangement.

#### **4. Future Key Activities**

*Company Activities BDC (Suffolk Holdings) Limited, MSDC (Suffolk Holdings) Limited, CIFCO Capital Limited, Babergh Growth Limited and Mid Suffolk Growth Limited*

- 4.1 BDC (Suffolk Holdings) Ltd and MSDC (Suffolk Holdings) Ltd will be looking to adopt a new Code of Conduct for Company Directors over the next 3 months. The code will set out the responsibilities and expectations for all directors and seek to embed the Councils' values within all of our companies.
- 4.2 CIFCO Capital Limited will be seeking to make further acquisitions and manage the existing property portfolio in line with the aims of the 2019/2020 business plan.
- 4.3 Babergh Growth Ltd will be focusing on the delivery of the HQ site in Hadleigh with an expectation of works commencing on site in Spring 2020. Babergh Growth will also be developing a marketing and disposal strategy for the market units. Babergh Growth is also seeking to develop a pipeline of development sites for the future to meet its aspirations to develop 100 homes over the next 3 years.
- 4.4 Mid Suffolk Growth Ltd will be focusing on the delivery of the HQ site in Needham Market with an expectation of works commencing on site in Spring 2020. Mid Suffolk Growth will also be developing a marketing and disposal strategy for the market units. Mid Suffolk Growth is also seeking to develop a pipeline of development sites for the future to meet its aspirations to develop 200 homes over the next 3 years.
- 4.5 The focus for Gateway 14 Limited will be to select an appropriate delivery model and partner which enables development to commence on site at the earliest opportunity.

#### *Strategic Asset Management*

- 4.6 Complete the Belle Vue Public Engagement, evaluate proposals and start the public consultation of the shortlisted viable options for the future use of Belle Vue House. Prepare and submit a planning application in respect of the former swimming pool site and adjacent land including public consultation by the end of the year.
- 4.7 Complete conditional contracts for the sale of land for the development of the Health Centre and Public Sector Hub in Sudbury and review opportunities for Council use of the Hub.
- 4.8 Develop an asset management plan for consultation in the New Year, whilst also scoping out a data project to enable the more efficient use and management of the Council's property estate.
- 4.9 Continue the asset management of Borehamgate Shopping Centre (Babergh) with a continued focus on reducing vacant shops (currently 5 – with 2 under offer) and improving the management of the centre.
- 4.10 Seek to complete the agreement for lease and works in relation to the letting of part of the Aldi premises in Stowmarket by the end of the year.
- 4.11 Conclude negotiations with John Peel Centre over the longer- term arrangements for the former Natwest Bank in Stowmarket.
- 4.12 Complete agreement for lease with the Co-op in respect of the new retail premises being developed as part of the redevelopment of the former HQ site in Needham Market.