

BABERGH DISTRICT COUNCIL CABINET MEMBER UPDATE

To: Council	Report Number: CMU1
From: Cllr David Busby Cabinet Member Assets & Investments	Date of meeting: 25 October 2022

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 and sets out the priorities for this financial year for the Assets and Investments portfolio. This portfolio includes the management of operational and non-operational property for the Council, supporting the delivery of Council services as well as delivering income and regeneration for benefit of the district.
- 1.2 There have been significant challenges in recent years with the impact of Brexit, the pandemic and the Russian invasion of Ukraine. We are currently experiencing high inflation, increasing interest rates, a cost-of-living crisis and uncertainty in the market. We continue to monitor the market carefully to mitigate the impact of these risks across the portfolio.

2. Recommendation

- 2.1 That Council notes the report.

3. Key Activities

Company Activities BDC (Suffolk Holdings) Limited, CIFCO Capital Limited and Babergh Growth Ltd

- 3.1 End of year accounts for the companies have been successfully audited. CIFCO Capital Limited and BDC (Suffolk Holdings) Limited have now filed these accounts with Companies House. Babergh Growth Limited Accounts are due to be filed imminently.
- 3.2 The Council is due to consider CIFCO Capital's Business Plan for 2022/23 at this meeting, following the review by Overview and Scrutiny Committee in June this year. Overview & Scrutiny found the plan to be robust and had sufficient assurance in the management of the Company. To date CIFCO has continued to make full debt repayments to the Councils. Further details are provided within the CIFCO report which is also being considered at this meeting.
- 3.3 Babergh Growth Ltd started on site at Bowlers Croft (the Former HQ site) in Hadleigh in August. Demolition works are well underway along with the internal soft strip of the buildings being retained on site. Works on site is in line with expectations and we anticipate the first completions to occur in Summer 2023.

Marketing materials are currently being developed together with a scheme brand. Some expressions of interest have already been received and formal marketing will commence as the scheme progresses further.

Strategic Property

- 3.4 Contractors have now been appointed to deliver the changes to the Endeavour House gold floorplate. The contractors will mobilise on site in late October, commencing works 1st November. Completion of the work is anticipated in January 2023 with reoccupation of the gold floorplate from February 2023.
- 3.5 Project teams have been established to review our current depot and touchdown use and future needs, with a view to recommendations being made early in 2023.
- 3.6 A project team has been established to advance and develop our land and property ownership database requirements. Workstreams include asset reconciliation with the Fixed Asset Register, energy audits, condition data, and GIS mapping.
- 3.7 Two land assets, in Bures and Great Waldingfield, have been successfully transferred to their respective Parish Councils bringing them into community ownership and control.
- 3.8 Post-covid recovery of the Borehamgate shopping continues with occupancy by Innovation Labs and The Bridge project. The long leaseholds of 3 residential flats at Borehamgate have also been acquired; these will become temporary accommodation for Housing once renovations have completed.

4. Future Key Activities

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

- 4.1 CIFCO Capital Limited will continue to manage the existing property portfolio in line with the aims of the business plan, delivering income to the Councils to support services.
- 4.2 Babergh Growth's focus will be on the delivery and marketing of Bowlers Croft in Hadleigh and seeking to develop a pipeline of development sites for the future to meet the aspiration to deliver high quality homes across the district.
- 4.3 A website for Babergh Growth is being developed which will be used to engage with both the market and key stakeholders on the company activities on behalf of the Council and to showcase schemes that are being developed.
- 4.4 Babergh Growth will continue to support teams within the Council with multidisciplinary expertise on architectural, technical design as well as cost and development management.

Strategic Asset Management

- 4.5 Oversee the changes to the gold floorplate in Endeavour House, delivering an inspiring and modern workspace.

- 4.6 Progress the review of the depot and touchdown accommodation and make recommendations.
- 4.7 Delivery of a new land and property database fulfilling our corporate need for intelligence that works with our existing finance, maintenance and compliance systems.
- 4.8 Completing asset specific reviews and energy audits to deliver agreed carbon reduction actions and move toward our net zero targets.
- 4.9 Identify surplus land for greening and wellbeing activities supporting the delivery of the wellbeing strategy and the biodiversity action plan.