



TO: **ALL MEMBERS OF THE COUNCIL**  
**(Copy to recipients of Council Papers)**

**Our reference** CS  
**Your reference** N/A  
**Contact** Claire Skoyles  
**Direct Dial** 01284 757176  
**Email** claire.skoyles@westsuffolk.gov.uk

19 March 2015

Dear Councillor

**ST EDMUNDSBURY COUNCIL - WEDNESDAY 25 MARCH 2015**

I am now able to enclose, for consideration at next Wednesday's 25 March 2015 meeting of the St Edmundsbury Council, the following reports that were unavailable when the agenda was printed.

**Agenda  
No**      **Item**

5.      **Schedule of Referrals (Pages 1 - 14)**

Appendices to Report No: **COU/SE/15/016**

**(B) Referrals from Cabinet: 24 March 2015**

1.      Suffolk Business Park/Eastern Relief Road, Bury St Edmunds: Update

**Cabinet Member:** John Griffiths

**Full Cabinet Report attached as Appendix A.**

2.      Transfer of land to Suffolk County Council for new High School at Moreton Hall, Bury St Edmunds

**Cabinet Members:** Peter Stevens and Sarah Stamp

**Full Cabinet Report to attached as Appendix B.**

**Karen Points** • Head of HR, Legal and Democratic Services  
**Tel** 01284 757015 • **Fax** 01284 757110  
**Email** democratic.services@westsuffolk.gov.uk

West Suffolk House • Western Way • Bury St Edmunds • Suffolk • IP33 3YU  
**www.westsuffolk.gov.uk**

Yours sincerely

Claire Skoyles  
SEBC Cabinet Officer/Committee Administrator  
Legal and Democratic Services

# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Suffolk Business Park/Eastern Relief Road, Bury St Edmunds: Update</b>	
<b>Report No:</b>	<b>CAB/SE/15/021</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	24 March 2015
	<b>Special Council</b>	25 March 2015
<b>Portfolio holder:</b>	Cllr John Griffiths Leader of the Council <b>Tel:</b> 01284 757001 <b>Email:</b> john.griffiths@stedsbc.gov.uk	
<b>Lead officer:</b>	Steven Wood Head of Planning and Growth <b>Tel:</b> 01284 757306 <b>Email:</b> steven.wood@westsuffolk.gov.uk	
<b>Purpose of report:</b>	<p>To provide an update with regard to the Eastern Relief Road project since the last report (Report No: CAB/SE/15/017 refers) dated 24 February 2015 was presented to Cabinet and Council. The report requested (among other requests) authority to forward fund electricity costs up to £4.5m.</p> <p>To request authority to enter in a loan agreement for the delivery of the electricity infrastructure.</p>	
<b>Recommendations:</b>	<p><b>Cabinet is asked to <u>NOTE</u> that negotiations are ongoing with a number of parties regarding the funding of the electricity infrastructure required to deliver the Suffolk Business Park and that due to timing issues,</b></p> <p><b>Cabinet is asked to <u>RECOMMEND</u> to Council that:</b></p> <p><b>(1) the Section 151 Officer allocates £4,528,871 within the Council's capital programme, initially financed from capital receipts, with a view to the project being funded by a combination of £1.4m from Taylor Wimpey, a £1.4m loan from New Anglia Local Enterprise Partnership (NALEP), and a loan from Suffolk County Council. Following the conclusion of the negotiations with these parties and the outcome of the NALEP application, if there is any shortfall, this will be funded by the Council</b></p>	

	<p><b>and recovered through the loan repayments by Taylor Wimpey, as set out in 2.9 and 2.10 of Report No: CAB/SE/15/021;</b></p> <p><b>(2) all of the above be subject to the satisfaction of the Section 151 and Monitoring Officers, in consultation with the Leader of the Council; and</b></p> <p><b>(3) subject to Recommendations (1) and (2) above, delegated authority be granted to the Head of Planning and Growth, in consultation with the Leader of the Council, to enter into a loan agreement with Taylor Wimpey to commission the electricity infrastructure works.</b></p>
<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>The decisions require full Council approval.</p>
<p><b>Consultation:</b></p>	<p>The development of the Eastern Relief Road (ERR) and Suffolk Business Park is a long established policy of St Edmundsbury Borough Council (SEBC). Most recently the Vision 2031 documents confirm the allocation of the residential, commercial and leisure/community uses along with the ERR and junction 45 of the A14 Trunk Road upgrade.</p> <p>In June 2010 the Masterplan for the extension to Suffolk Business Park was adopted following the due consultation phase.</p> <p>A series of meetings have also been held with Rougham Parish Council; Moreton Hall Residents' Association; and local business representative organisations.</p>
<p><b>Alternative option(s):</b></p>	<p>Not to commission the electricity works would result in a delay to the programme such that electricity may not be available in time for the first occupiers of the school, homes or commercial land.</p>
<p><b>Implications:</b></p>	
<p><i>Are there any <b>financial</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>As detailed in the report</li> </ul>
<p><i>Are there any <b>staffing</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>Time and resources of existing staff to enable the project to progress</li> </ul>
<p><i>Are there any <b>ICT</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> <li></li> </ul>
<p><i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> <li>As detailed in the report</li> </ul>
<p><i>Are there any <b>equality</b> implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk (before controls)</b>	<b>Controls</b>	<b>Residual risk (after controls)</b>
Growing Places Fund application is refused	Low	Early consultation with GPF officers. We could seek an alternative loan fund or make use of Council balances	Low
Taylor Wimpey is unable to provide its £1.4m contribution	Medium	Include security for the loan in the legal agreement to enable the funding to be recovered anyway.	Low
The costs increase throughout the programme or costs exceed the estimates	Low	Fix the prices in the legal agreement with the electricity provider.	Low
The commercial lets do not come forward within the timescale to repay the loan	Medium	Engage a commercial developer to promote the land.	Low
<b>Ward(s) affected:</b>	All Wards		
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>	<a href="#">Report CAB/SE/15/017 to Cabinet and Council 24 February 2015</a> <a href="#">Report F97 to Cabinet: 2 September 2015</a> <a href="#">Report F120 to Council: 23 September 2015</a> Suffolk Business Park Masterplan dated June 2010		
<b>Documents attached:</b>	None		

## **Key issues and reasons for recommendation(s)**

### **1. Background**

- 1.1 Report CAB/SE/15/017, 'Eastern Relief Road, Bury St Edmunds: Update' made recommendations to Cabinet which were approved by Council on 24 February 2015. The recommendation was as follows:

***"Subject to the approval of full Council and the satisfaction of the Section 151 and Monitoring Officers, a commitment be made to the full £4,528,871 million programme of works for the provision of electricity to serve Suffolk Business Park, including an immediate financial allocation of £356,186 currently due on 27 February 2015, as detailed in Section 3 of Report No: CAB/SE/15/017"***

### **2. Electricity Infrastructure Funding**

- 2.1 An application for £4,528,871 of Growing Places Fund towards electricity infrastructure works has been sent to New Anglia Local Enterprise Partnership (NALEP). Initial discussions with NALEP have indicated that this amount is a significant proportion of their remaining fund and they are more likely to look favourably upon a loan of £1.4m. Also, the indication is that the decision would be likely to be made at the May 2015 NALEP board meeting. Originally, it had been hoped that the decision would be taken in March 2015, however applications for funding now have to be scrutinised by another group before being recommended to the board. There is no NALEP board meeting in April and therefore the next available opportunity would be May.
- 2.2 Council has already committed £4,528,871 of funding for the electricity works at its meeting on 24 February 2015. At that time it was considered that NALEP would be able to provide a loan for this full amount and therefore Council agreed to take on responsibility for the repayment of the loan and also for the immediate shortfall (which at that time was £356,186). It is now clear that NALEP will consider a loan of £1.4m instead. Therefore, this paper is seeking authority from Council to commit the full amount of funding from the Council's unallocated capital receipts to enable the electricity infrastructure works to be committed.
- 2.3 There are similarities between the electricity works and the Eastern Relief Road (ERR) itself. Both require high levels of upfront funding that make bringing the development forward unviable for a commercial developer. Without the injection of funds for the electricity works, the whole scheme will be delayed indefinitely. It could be argued that the role of councils and Local Enterprise Partnerships is to step in at the point of market failure – to make sure that developments succeed against the normal commercial odds.
- 2.4 In order for SEBC to realise the allocations set out in its Vision 2031 documents it needs to be proactive and provide support in cases such as this. This isn't new territory for SEBC as it has shown considerable commitment to this scheme already, including providing a loan to progress the design and preparation works for the ERR itself; and then subsequently committing to invest £3m towards the construction costs of the ERR. To commit to the funding for the electricity works at this point in time, will help to enable this

key strategic development of homes, jobs and education to come forward.

- 2.5 Whilst it is the role of councils to "enable" development it remains essential that any commitment of funding is subject to due diligence and accords with proper accounting principles. Should Members agree the recommendations to commit the funding for the electricity works, the Section 151 Officer and Monitoring Officer will have to be satisfied that the principles of the SEBC loan policy is being considered and the funds are not put at unnecessary risk.
- 2.6 The total remaining costs of the electricity works is £4,528,871. If NALEP agrees to loan SEBC £1.4m and Taylor Wimpey contributes £1.4m there would be a £1,728,871 cash shortfall.
- 2.7 Officers have been discussing this shortfall with Suffolk County Council (SCC) as it is reliant on infrastructure being in place to serve the new secondary school and lighting for the Eastern Relief Road. Initial discussions have been positive although no formal agreement to fund is currently in place.
- 2.8 The electricity infrastructure provider requires a commitment to the programme of works and therefore a commitment to fund these works to enable it to commence. As stated above, in the worst case scenario, SEBC could be required to fund the total amount. The payments would be required in stages starting with a payment of £359,572 at the end of April. The last payment would be required in the first quarter of 2017.
- 2.9 The electricity infrastructure works would be commissioned by Taylor Wimpey and therefore a loan agreement will need to be prepared between SEBC and Taylor Wimpey. Due diligence will be undertaken to the satisfaction of the Section 151 Officer and the Monitoring Officer prior to the loan being signed.
- 2.10 It is proposed that the £4,528,871 funding would be repaid firstly from the contribution from Taylor Wimpey (£1.4m) and then the remainder either from the commercial lets as they come forward for Suffolk Business Park or by the commercial developer who will be appointed to bring the land forward. Traditionally, such a commercial developer would raise finance for the upfront costs associated with providing services to the site; this includes the internal access road, utilities etc.
- 2.11 There is a significant lead in time to ensure that the electricity will be available in time for the first phases of development including the school. It is therefore essential that the infrastructure works are commissioned by the end of April. This date has changed since first reported; however for the reasons set out above it cannot be delayed further.
- 2.12 To enable the electricity works to be secured, Members are requested to commit to the programme of electricity works at a cost of £4,578,271.

### **3. Finance/Budget/Resource Implications**

- 3.1 If Members are minded to agree the recommendation above, SEBC will need to commit a total of £4,578,271 towards this project within its capital programme. This is considered to be the worst case scenario once other contributions such as the Taylor Wimpey and the NALEP loan is taken into

account. Officers are also working with SCC to share the responsibility for the funding to enable the electricity works to be commissioned.

- 3.2 SEBC will be taking responsibility for repaying the Growing Places Fund loan from NALEP including the interest payments. There is a risk that the NALEP board decides not to loan £1.4m or reduces the loan offer again, however in this scenario the Council will continue to fund the electricity works from its capital programme, based on the recommendation proposed, to enable the infrastructure to be completed.
- 3.3 The loan agreement between SEBC and Taylor Wimpey will clearly detail (inter alia) the nature of the security for the loan; the instalment dates/triggers for paying the loan; interest costs and the repayment schedule.



# Cabinet



*St Edmundsbury*  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Transfer of Land to Suffolk County Council for New School at Moreton Hall, Bury St Edmunds</b>	
<b>Report No:</b>	<b>CAB/SE/15/022</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	24 March 2015
	<b>Special Council</b>	25 March 2015
<b>Portfolio holder:</b>	Peter Stevens Portfolio Holder for Waste and Property <b>Tel:</b> 01787 280284 <b>Email:</b> <a href="mailto:peter.stevens@stedsbc.gov.uk">peter.stevens@stedsbc.gov.uk</a> ;	
<b>Portfolio holder:</b>	Sarah Stamp Portfolio Holder for Leisure, Culture and Heritage <b>Tel:</b> 01284 769360 <b>Email:</b> <a href="mailto:sarah.stamp@stedsbc.gov.uk">sarah.stamp@stedsbc.gov.uk</a>	
<b>Lead officer:</b>	Richard Combes Valuation and Estates Manager <b>Tel:</b> 01284 757361 <b>Email:</b> <a href="mailto:richard.combes@westsuffolk.gov.uk">richard.combes@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	<p>(1) To seek Cabinet and Council approval to transfer 11.38 acres of land to Suffolk County Council for the construction of a new upper school at Moreton Hall, which will serve all of Bury St Edmunds, for the sum of £193,460.</p> <p>(2) To seek Cabinet and Council approval to make a capital contribution of £1,366,460 towards shared sports facilities within the site to be leased back to the Council and operated by Abbeycroft Leisure under a sub-lease with an operator's agreement.</p>	
<b>Recommendations:</b>	<p>It is <b>RECOMMENDED</b> that, subject to the approval of full Council:</p> <p>(1) <b>11.38 acres of land be transferred to Suffolk County Council for the construction of a new upper school at Moreton Hall, Bury St Edmunds, as detailed in Section 1 of Report No: CAB/SE/15/022, for the sum of £193,460 subject to a 125 year lease back of the land</b></p>	

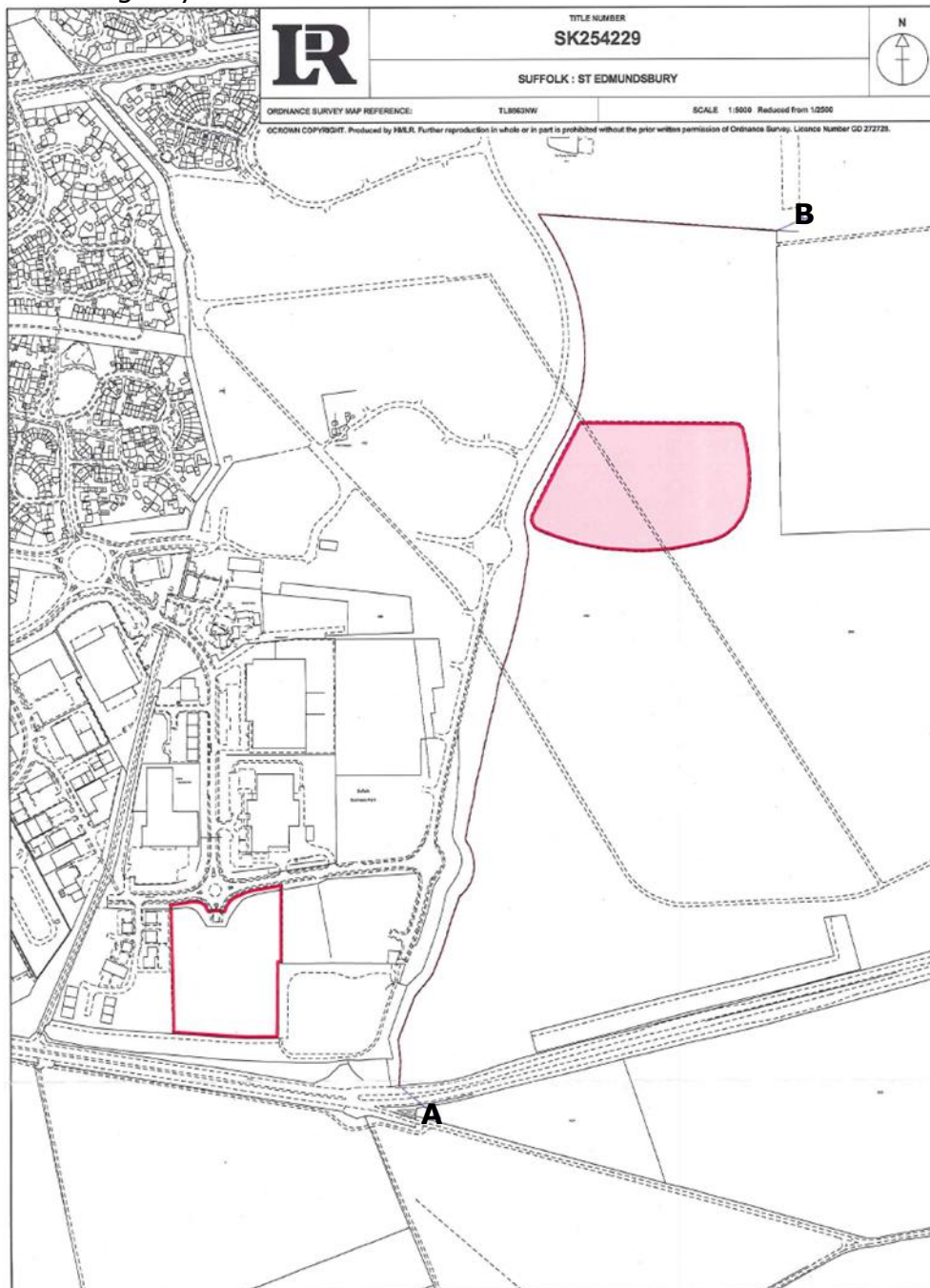
	<p><b>forming part of the shared community sports provision and an accompanying dual use agreement, whilst ensuring the commercial advantage of the Council's ransom strip is maintained;</b></p> <p><b>(2) a capital contribution of £1,366,460 be made to Suffolk County Council towards a shared community sports provision within the site made up of the balance of:</b></p> <p><b>(a) £813,000 capital allocation for Bury Town FC relocation;</b></p> <p><b>(b) £360,000 anticipated future s106 contributions for sporting facilities at Moreton Hall;</b></p> <p><b>(b) the capital receipt of £193,460 detailed in (1) above; and</b></p> <p><b>(3) delegated authority be given to the Head of Operations, in consultation with the Portfolio Holders for Waste and Property, and Leisure, Culture and Heritage, Chief Executive, s151 Officer and Monitoring Officer, to agree the terms of all legal agreements necessary to give effect to the above.</b></p>
<p><b>Key Decision:</b></p> <p><i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>(as it is a decision of full Council)</p>
<p><b>Consultation:</b></p>	<p>Extensive discussions have taken place with Suffolk County Council (SCC) and the School Organisation Review (SOR) team within Children and Young People's Services for the previous 18 months involving a shared site in this location at Moreton Hall. These discussions were initially with Community and FA Football provision and now with community leisure use. SCC has consulted the public on these proposals and will submit a planning application on 16 March 2015.</p>
<p><b>Alternative option(s):</b></p>	<p>To deliver the school within a constrained site further north, the terms for which could not originally be agreed with developers; or risk not delivering the new school in time for September 2016 and instead rely upon renovating an existing school site in the town centre.</p>
<p><b>Implications:</b></p>	

Are there any <b>financial</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • As detailed in the report	
Are there any <b>staffing</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>ICT</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>legal and/or policy</b> implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • As detailed in the report	
Are there any <b>equality</b> implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • As detailed in the report	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk (before controls)</b>	<b>Controls</b>	<b>Residual risk (after controls)</b>
School does not receive planning permission	low	Public consultation for planning process as part of SOR	low
Indicative build costs for community elements are higher than anticipated	medium	Competitive tendering of contract	low
s106 funding remains undelivered in the absence of a residential planning consent	high	Delivery of Eastern Relief Road and associated infrastructure removes uncertainty	medium
<b>Ward(s) affected:</b>		All Wards	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None.	
<b>Documents attached:</b>		None.	

# 1. Key issues and reasons for recommendation(s)

## Brief History

### Land Registry Plan



- 1.1 The Council acquired the 11 acre "lozenge site", denoted by the pink shaded area in the plan above, as one element of the negotiation of access rights to Taylor Wimpey (TW). These negotiations were concluded in 2003, which provided for monetary payments and freehold property in kind, including:
- (a) a new one metre cordon or 'ransom strip' around the remaining TW land ownership east of Lady Miriam Way (points A –B on the above plan);

- (b) site E2, Suffolk Park – approximately seven acres of development land, based on its market value, subsequently sold by St Edmundsbury Borough Council (SEBC) to Sealeys; and
- (c) 11 acre recreation site.

## **1.2 The recreation site**

- 1.2.1 The negotiations centred on the Council's proposed relocation of Bury Town Football Club (BTFC). The value attributed to the 11 acre site was based on what it would otherwise cost the Council to create additional car parking at current site at Ram Meadow.
- 1.2.2 The actual siting of the 11 acres (the estimated land area needed for the relocation of BTFC and community football facilities) was agreed in relation to the flight path for the Rougham airfield and where it could best continue the open space corridor at the Moreton Hall extension to the residential areas.
- 1.2.3 The freehold transfer states the uses to which the land can be put – recreation, community and educational. The Council does not, as landowner, have to consult with TW if the use is any of these.
- 1.2.4 The Council is free to develop the land for alternative residential and commercial uses. If it does so, there is an overage and pre-emption agreement (28 November 2003) which sets down the exact proportions which are payable to TW as clawback. In the case of residential development, the amount paid is prohibitive and it would not be worthwhile the Council pursuing this whilst development for industrial purposes would attract a lesser clawback sum.

## **1.3 The school site**

- 1.3.1 Vision 2031 intended that the current upper school proposal, required as part of the School's Organisation Review (SOR) programme, was to sit entirely within TW's ownership to the north of the Council's "lozenge".
- 1.3.2 However, earlier negotiations with TW failed to produce agreement for the terms to transfer the necessary land and site constraints meant the school and associated pitches were a sub optimal fit, giving rise to concerns about the ability to future proof the design.
- 1.3.3 Suffolk County Council's SOR team then approached SEBC in connection with the stalled relocation of BTFC, due principally to cost, promoting an option to provide a shared site for a new school and community football facilities.
- 1.3.4 During the period 2013/2014, extensive design and investigation work was undertaken between SCC and the Football Association (FA) but ultimately the expectations of the FA could not be met, leading to the Suffolk FA withdrawing their funding from the initiative. However, ongoing discussions with the National Football Association and Bury Town FC are providing the necessary reassurance for BTFC's continual occupation at Ram Meadow.

- 1.3.5 The importance of a shared community use of the site was still considered paramount and accordingly discussions began with the Council and Abbeycroft Leisure (AL) around shared community access sports/gym facilities as part of the new school site.

Consultation plan



- 1.3.6 Design work recommenced with Concertus, SCC's in house consultancy, and the consultation plan above was produced with a view to a planning application being submitted in March 2015. The basis of the shared use is that the 'sports centre' shown below will be operated by AL on behalf of SEBC, who will have a lease back of the red shaded area to include the 3G pitch and associated car park. AL will operate it as one facility for the public and pupils alike save for the need to have separate changing facilities and access to accord with safeguarding requirements. This model is designed to benefit from economies of scale of providing dual facilities, which the school will require in any event, augmented by additional community focused requirements including a football pitch (to 3G standards), to be funded by the Council. A lease will be entered into giving long term control of these facilities to the Council with an

associated agreement for them to be run by a leisure provider such as AL.

## Sports Centre Plan



## 2. Finance/Budget/Resource Implications

- 2.1 Costings provided by a Quantity Surveyor at Concertus for the community element has estimated the cost for the additional 'extra over' facilities (shaded red) at **£1,552,392** to include a new full sized 3G football pitch.
- 2.2 Concertus on behalf of SCC have agreed terms in principle for the transfer of the TW land around the perimeter of the 'lozenge' at £17,000 per acre and the same value can be attributed to the Council's land, on the basis of twice its current agricultural value, to give a value of **£193,460**. The question remains however how the Council's 'ransom strip', which runs north-south to the east of Lady Miriam Way (points A and B on Land Registry plan above) and prevents any further development taking place, should be dealt with.
- 2.3 SCC accepts a principle exists in this regard in terms of the Council's s123 (Local Government Act 1972) obligation and its wider negotiations to safeguard the Council's future hope value through the use of its strategic ransom strip with TW and others. Accordingly, SCC has indicated it would be prepared to make a contribution towards the community facilities equal to the shortfall the Council's available budget for the sporting facilities of **£185,932** in recognition of the need for the Council to demonstrate value for money and preserve and preserve the commercial advantage of the 'ransom strip'.

- 2.4 The current TW planning application does provide for a fully funded s106 contribution at present to include approximately **£360,000** of sports facilities, which could be utilised to contribute towards the community facilities. However, this would require front-end funding by SEBC in the first instance until planning consent is granted to TW.

Budget Summary		
Current SEBC share of community element	-£1,552,392	
Land receipt for 11.38 Acres @£17k per acre for recreational land		£193,460
s106 allocation for sports facilities		£360,000
SCC community facilities contribution		£185,932
Remaining SEBC budget allocation for BTFC following possible FA match funding capital contribution to improved Ram Meadow facilities		£813,000
	-£1,552,392	£1,552,392

### 3. Legal implications

- 3.1 Suffolk County Council will be entering into a 125 year lease with the Academy provider following completion of the land transfer, together with a separate lease for 125 years to SEBC for the land forming part of the sports facilities and car park which the Council have financially contributed towards, to which a dual use agreement will be annexed. SEBC will then grant a sub-lease to Abbeycroft Leisure with an associated operator's agreement, the terms of which they will covenant to adhere to within their sub-lease.

### 4. Revenue implications

- 4.1 The Council's leasehold interest will be included as an operation asset as part of its portfolio with provision for repairs accounted for via a percentage of the insurance value into a sinking fund, managed through the Asset Management Plan process.