

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Report to Cabinet

12 February 2019

TITLE:	Investment and Acquisition Strategy
PORTFOLIO HOLDER:	Councillor Edwin Wain, Portfolio Holder for Planning Development and Property
CONTACT OFFICER:	Sarah Porru – Interim Regeneration Manager
WARDS INVOLVED:	All areas

1. Reason for the Report:

- 1.1 The purpose of this report is to update Councillors on progress on the preparation of an Investment and Acquisition Strategy.

2. Recommendation

- 2.1 It is recommended that Councillors note the update on progress.

3. Executive Summary

- 3.1 CBRE has been commissioned to undertake a high-level Acquisition and Investment Strategy to assess the potential interventions that could be undertaken by the Council both to stimulate development and generate future revenue.

- 3.2 The Strategy will draw on SMDC's experience in respect of acquisition and investment, such as the Ascent Housing Delivery Scheme, strategic site masterplanning and managing its commercial property portfolio. The strategy seeks to assess a range of strategic sites across the District to understand whether there is an economic case for intervention and investment as well as identifying a methodology for considering these for investment potential.

- 3.3 The Strategy will provide:

- A review of the rationale for investment to understand the key drivers which might underpin the need for intervention in SMDC;
- A review of the overarching strategic priorities and objectives, analysing the national, regional and local strategic policy that underpins the case for growth

- A summary of the key issues and opportunities in the District, drawing on strategic policy, the market assessment and the wider evidence base; which will inform the assessment of specific sites and opportunities;
- A property market assessment, which provides a high-level summary of the key socioeconomic indicators, causes of market failure, a sectoral analysis of the market in the District and an identification and the geo-economic opportunities in the SMDC;
- A review of a 'long-list' development investment pipeline based upon a review of key strategic sites within the District along with identified locations for growth and identification of a 'short-list' of potential sites where investment could be considered.
- A high-level acquisition and intervention strategy that sets out a range of potential intervention routes for the shortlisted sites and site recommendations based on analysis undertaken.
- A 'Summary Business Case', which draws together the findings of the Strategy, identifying the site priorities for investment, the rationale for intervention on each site and the recommended investment approach for each site (including the scale of investment).

3.4 It is proposed to bring a further report to the Service Delivery Overview & Scrutiny Panel to present the findings of the study and consider endorsement of the strategy and recommended actions.

4. **How this report links to Corporate Priorities**

4.1 Development of the Investment and Acquisition Strategy will support the following aims of the Corporate Plan:

- Aim One - To help create a safer and healthier environment for our communities to live and work
- Aim Two - To meet our financial challenges and provide value for money
- Aim Three – To help create a strong economy by supporting further regeneration of towns and villages

5. **Detail**

5.1 The Staffordshire Moorlands has historically suffered from low levels of development, with a number of both housing and mixed-use sites not being brought forward despite benefiting from development plan allocations or planning permission. For example, in the area, there are currently 189 homes with full planning permission, and a further 900 homes have outline approval as of March 2018; totalling more than 1,000 homes with planning approval that have not been brought forward for development. Similarly, there has been difficulty in bringing forward the regional strategic employment site of Blythe Vale and mixed-use development at Wharf Road, Biddulph.

5.2 There are a range of complex and often inter-linked reasons why sites are not being developed in the District, such as:

- Macro-economic conditions, including the impact of the last recession;

- Low returns (sale values/rental incomes)- which effect financial viability of development
 - Market failures, including the willingness of developers to speculatively invest in the area and the lack of evidence to demonstrate demand;
 - Issues with land ownerships and land assembly; and
 - Site specific technical issues which are impacting on deliverability and site viability, such as infrastructure, land contamination, flood risk and other environmental mitigation/obligations.
- 5.3 At the same time, Councils across the UK have faced a significant reduction in central government funding and are seeing a shift towards retention of locally collected business rates as well as an increasing reliance on council tax and income from investments or commercial services.
- 5.4 It is within this context that there may be a case for intervention by SMDC to stimulate development in the District, whilst also providing an opportunity to stimulate financial receipts for the Council.

Dai Lerner
Executive Director - Place

**Web Links and
Background Papers**

Location

Contact details

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