

To: **Executive**
8 February 2022

Annual Review of JV Business Plan 2020-2023
Executive Director: Resources

1 Purpose of Report

- 1.1 The first Business Plan for the Property Joint Venture (JV), which is a partnership between the Council and Countryside Properties (UK), was agreed by the Council at its meeting on 25 November 2020 and covers the period 2020-2023. This plan sets out the agreed objectives for the Joint Venture over this period, included anticipated budgets and profits from the first 3 sites to be developed. The Bracknell Forest Cambium Partnership was formally incorporated as a limited liability partnership (LLP) in December 2020.
- 1.2 This report sets out the progress made against the Business Plan objectives to the end of December 2021. It also outlines changes proposed by the Partnership for the remainder of the Business Plan period to December 2023. Under the legal agreements the Business Plan is required to be reviewed and any changes agreed annually or as reasonably requested by each partner. The refreshed JV Business Plan (attached as Annex A) has been agreed by the LLP Board to be recommended to each partner organisation for consideration and approval.

2 Recommendations

That the Executive:

- 2.1 **Notes the progress made by Bracknell Forest Cambium Partnership for the period December 2020 to December 2021.**
- 2.2 **Supports the refresh of the JV Business Plan 2020-2023 for the Bracknell Forest Cambium Partnership as set out in Annex A and the financial budget and forecast as set out in Confidential Annex B.**

3 Reasons for Recommendation(S)

- 3.1 The recommendations support the fulfilment of Bracknell Forest Cambium Partnership's objectives and aligns with the legal agreements entered by the partners, which require the agreed JV Business Plan to be formally reviewed each year. There have been no material changes made to legal agreements signed in December 2020 between the partners. The JV Business Plan has not changed materially, although the Jubilee Gardens site will now be considered as part of a wider master planning of secondary sites that has been commissioned by the Council and the Executive has agreed to offer surplus land at the Depot site to the JV under a 12 month exclusivity agreement.
- 3.2 Following a strategic options appraisal, the Council agreed to establish a joint venture partnership as the optimum approach to securing delivery of its regeneration objectives, articulated in the Bracknell Town Centre Vision 2032. Over its lifetime, the Bracknell Forest Cambium Partnership will play a prominent role in realising

Bracknell's full potential, building on the success of the Lexicon development. The Council and the Partnership share a long-term ambition that, when realised, will see significant change to the town centre landscape. Expected investment of over £250m will bring forward around 1,000 new homes, of which 35% will be affordable, and an additional 35,000sqft of new commercial and retail space. While the Council's prime driver is to secure regeneration, its 50% stake in the joint venture will see it share in investment returns, helping support essential services for new and existing residents.

4 Alternative Options Considered

- 4.1 Members could choose not to endorse the refreshed Business Plan and instruct the Partnership to rework any parts that cause concern. However, as there are no proposed significant amendments to the Business Plan 2020-23 that have not previously been considered and endorsed by Members, it is felt that this would not be easily justified.

5 Supporting Information

- 5.1 Bracknell Forest Council has a long-standing ambition to secure new development in Bracknell town centre and across the Borough, to promote economic development, enhance vitality, and secure new homes and facilities for residents and businesses. Specifically, the Council Plan 2019-2023 states,

"We will continue to work hard to make sure that Bracknell Forest continues to thrive, even with the challenges ahead for all sectors of the economy. The Council is committed to continuing the town centre regeneration and over the next four years will deliver the next phases, helping the whole town centre to flourish and grow, providing a rich 18-hour economy."

- 5.2 Alongside other initiatives, this ambition led to the creation of the Bracknell Forest Cambium Partnership, a Joint Venture with Countryside Properties UK formed to develop Council owned sites in and around Bracknell town centre. The strategic objectives for the JV were determined by the Council, are enshrined in the legal partnership agreement, and included in the JV business plan to clearly show its expected strategic direction, as follows:

- support and help the Council deliver its strategic plan;
- proactively facilitate the physical delivery of the strategic vision for the town centre;
- deliver new commercial and residential uses that support the on-going regeneration of the town centre contributing to economic development, and a balance of daytime and evening trade and activity;
- deliver development of high design quality, setting the bar for further future development;
- enable the provision of affordable residential homes, space for specific commercial occupiers and typologies, and new community facilities to ensure development delivers benefits for all;
- maximise regeneration potential by responding flexibly to each opportunity and leveraging development expertise and resource to identify new opportunities, including with other public sector partners; and

provide long term revenue streams to the Council to support future service delivery and furtherance of the objectives under the Council's strategic plan whilst managing risk exposure per site

- 5.3 The JV business plan sets out the Partnership's planned activities for a period of 3 years from its inception in December 2020 and includes key metrics such as the nature and scale of proposed development activity on individual sites, expected profits and land values and overall financing requirements. More detailed plans are included in individual Site Development Plans for each of the proposed development sites.
- 5.4 As part of the legal agreement between the council and Countryside Properties (UK) Ltd the Delegations Policy sets out the decision-making parameters for the development manager, JV Partnership Board (LLP) and matters reserved to the individual partners. A key principle is that the JV's Business Plan, is required to be reviewed by each partner Annually or as required via each partner's decision making process. This approach means that the Council itself is always able to determine the JV's activities at a strategic level, while more operational decisions are delegated to the JV Partnership Board which has the authority to act within the parameters of the agreed Business Plan and any agreed Site Development Plans. The Partnership Board comprises 3 representatives from each of the partners, with the Council's representatives being the Executive Members for Economic Development and Regeneration and for Transformation and Finance and the Executive Director: Delivery. Any proposed material deviations from the agreed JV Business Plan need to be referred by the JV Partnership Board to the Council and Countryside as partners in the Bracknell Forest Cambium Partnership.
- 5.5 Despite the economic challenged brought by the Covid pandemic and Brexit, the partnership has made good progress against its agreed objectives and priority sites since December 2020. Specifically:
- Planning permission has been secured for 52 homes at Coopers Hill, with development due to commence in Spring 2022 (after conditions have been met).
 - Planning application for Market Street was submitted in July 2021 for 169 homes plus commercial space and is due to be formally considered in February 2022.
 - Exclusivity rights have been awarded for surplus land at the Depot site for a period of 12 months from September 2021, with an initial site development plan due to be submitted for Council approval in Spring 2022.
- 5.6 This progress reflects the strong relationship the Council has built with Countryside since the Bracknell Forest Cambium Partnership was formally established in December 2020. Countryside has recently announced that it will focus all its resources on its market-leading Partnerships business and that it will be recruiting a new Chief Executive following the departure of Iain McPherson. The Council works primarily with the Partnerships South division within Countryside and is reassured that the strategy of the division remains consistent, and it continues to perform strongly. The Partnerships South division of Countryside is led by Mike Woolliscroft who sits on the Cambium Partnership board.
- 5.7 The expected levels of investment and returns for the Council from the planned developments are set out in the confidential section of the JV Business Plan. As previously reported, the Council's equity will be in the form of land and cash, which

will be secured through loan notes. Cash investment will be funded by a combination of internal borrowing and short-term external borrowing if needed. The loan note “premium” (i.e., the margin after offsetting borrowing costs) will be around 2.5% - 3.0%, dependent on borrowing rates at the time.

6 Consultation and Other Considerations

Legal Advice

- 6.1 Responsibilities for decision making have been agreed by the Joint Venture Partners in the Members’ Agreement dated 23rd December 2020 and are set out in the Delegations Policy which forms part of the Members Agreement. Business Plan approval is a decision reserved under the delegation’s policy to the Individual Partners. From the Council’s perspective this is an Executive decision to be taken by its Executive under its governance arrangements.

Financial Advice

- 6.2 There are no immediate financial implications arising from this report. The Council’s investment and returns from developments undertaken by the JV are set out in detail in individual Site Development Plans, which are required to be separately considered and approved by Council.

Other Consultation Responses

- 6.3 Recommendations supported by Bracknell Town Centre Regeneration Committee

Equalities Impact Assessment

- 6.4 None undertaken

Strategic Risk Management Issues

- 6.5 Commercial development, by its nature, cannot be risk free. The establishment of a JV with an experienced development partner and the approach set out in the JV Business Plan and associated legal documents strikes a balance between minimising the Council’s risk exposure while allowing it to achieve its regeneration objectives for Bracknell town centre. This approach ensures that the Council is sharing risk and reward with an experienced and successful development partner.

Climate Change Implications

- 6.6 The Joint Venture is committed to building in an environmentally responsible and sustainable manner. Further information is available in the Partnership’s Sustainable Development Policy

Background Papers

Annex A JV Business Plan 2020-23 - Reviewed Dec 2021
Annex B Confidential Financial information
Annex C Confidential Council investment and Returns Commentary

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