

MKC Cabinet Quarterly Update Report As at September 2015

INTRODUCTION

This paper is the September 2015 quarterly update report to MKC Cabinet setting out progress on the MKDP Business Plan - September 2014.

SUMMARY

Solid progress has been achieved compared with the 2014 Business Plan. The main focus remains to create a strong pipeline of opportunities and projects with manageable risks related to both delivery and cash generation.

Strategies continue to be adapted and refined to ensure both investor, developer and occupier needs are addressed and to deliver consistent policy compliant schemes.

The substantial pipeline of transactions being built includes:

- Two land disposals have been completed generating capital receipts of over £1.2m. The most significant transaction is the granting of a long leasehold to Honda F1 Power a scheme that will generate c 65 jobs.
- Contracts have been exchanged on a further 8 land transactions with solicitors progressing contracts on 10 more which in commercial terms will facilitate over 100,000 sq. ft. of new floorspace, creating upwards of 550 jobs and potentially generating over £6.8m.
- In residential terms, over 550 units are agreed which will generate a gross receipt of c£15m - £19m* (*Note: the gross receipt will be subject to abnormal cost deductions).
- Being actively engaged with MKC to aid the expansion of educational facilities in Milton Keynes with four transactions on c25 acres creating an additional 4 entry forms at primary level and 5 entry forms at secondary level as well as purpose built Special and Alternate Provision school facilities.
- Exploring options to encourage the development of grade A office development in CMK and seeking to establish a vision for some of the key strategic sites in the portfolio including land around the shopping centre, B4, Station Square and the balance of our land in Campbell Park.
- Potentially delivering significant housing numbers with excellent progress being made to bring forward the first tranche of residential opportunities at Campbell Park/Newlands, Atterbury, Monkston and the self-build plots at Monkston Park and Shenley Church End.

Strategic property advice continues to be provided to MKC on request with negotiations concluding on key transactions including the Western Expansion Area, the YMCA and the Agora Shopping Centre.

PROGRESS AGAINST BUSINESS PLAN - Transaction updates:**CMK & Campbell Park**

- Site B3.2S – Contracts are agreed and exchange imminent for the sale of this site for a part speculative office scheme of 46,000sq. ft offices. Planning consent has been granted and it is anticipated that construction will commence in Q4 2015.
- Canalside, Campbell Park – Crest Nicholson Regeneration has been appointed preferred development partner for this 15 acre site; it is intended to deliver c380 homes of various styles, a local convenience store, restaurant, pub, nursery and a 100 berth marina which is intended to form the start of the proposed Bedford / Milton Keynes canal link.
- MK Gallery – Terms have been agreed for the transfer of land to MKC to facilitate the proposed expansion of the MK:G under a restructured lease.

Commercial – Out of Town

- Winterhill: for Honda F1 R&D Europe – This sale together with a detailed planning consent was completed within 8 months of the first enquiry. This is a testament to the ability to work closely with MKC to deliver schemes. The new Honda Formula 1 R&D facility is due to start on site in October 2015 with completion before the beginning of next year's F1 season ultimately creating 65 jobs for high-skilled and support staff.
- Site E Wolverton – Contracts have been exchanged with Suisse Properties for c30,000 sq ft of offices and warehousing safeguarding c40 jobs in the area.
- West Ashland South - Heads of Terms have been agreed and solicitors are instructed on a long leasehold disposal to a logistics company for a 2 acre parcel of land at West Ashland. A planning pre-app has been submitted to aid the finalisation of their detailed planning application.

Residential – Out of Town

- Atterbury - Following a competitive tendering exercise attracting 8 bids Morris Homes has been appointed preferred developer for a 120 unit residential development to include market and affordable homes plus 15 self build plots. Terms are agreed and solicitors have been instructed with exchange of contracts imminent.
- Worrelle Avenue, Middleton - Following a competitive tendering exercise Morris Homes has been appointed preferred developer for a 27 unit residential development to include market and affordable homes. Heads of Terms are in negotiation.
- Monkston Park Self Build Plots 2,4,6,8,10,12 and 14 - Seven self build plots have been successfully marketed by informal tender in two phases. One sale has completed with the other six plots having exchanged contracts.
- Lilleshall Avenue – Following a competitive tendering exercise Abbey New Homes has been appointed preferred developer for a scheme of 25 new and affordable homes. Heads of terms are agreed and solicitors appointed.

- Little Meadow, Loughton – offers have been received for this small site for two homes and will be reported to MKDP's board in September 2015.

Others

- Independent School Site, Shenley Church End - The sale of part of the site for an Alternate Provision school for junior school aged children has exchanged subject to planning with the planning application submission anticipated for October 2015. The school is promoted by the Education Funding Agency and Milton Keynes Education Trust.
- Kents Hill – MKC Children & Families have completed their investigations into suitable locations for the proposed CMK Secondary School and have confirmed their intention to build an additional educational facility at Kents Hill sites B and E, with a proposed opening date of September 2017. A draft Development Brief has been prepared for all MKDP development sites at Kents Hill including the proposed secondary school site.

MKDP as adviser to MKC

- Western Expansion Area – MKDP are representing MKC and are seeking a new collaboration agreement broadly in lines of the unexecuted 2011 agreement that will ensure an equitable distribution of the infrastructure cost burden and land receipts.
- Agora Shopping Centre, Wolverton – Advice is being provided on redevelopment options and the sale of MKC's freehold interest.
- YMCA, CMK – Advice is being provided to MKC on the redevelopment options assessing viability and negotiating disposal / joint venture terms.
- Tickfordfield Farm – Advice is being provided on the promotion and development of this site on behalf of MKC.

Sites in Active Negotiation include:

- Wyevale Site
- C3.3S (adjacent to CBX3)
- Site G (South) Wolverton
- Ladbroke Grove, Monkston Park
- Westcroft
- Pineham
- West Ashland North

Development Briefs and Pre-Apps:

ANNEX C

The tables below identify sites proceeding through the Development Brief and Pre-App process.

DEVELOPMENT BRIEFS	Approved	Awaiting Approval	Pre-consultation	Formal Consultation Stage	Programmed for Start
Atterbury	✓				
Bowl	✓				
Caldecotte A					✓
Campbell Park & Newlands	✓				
Campbell Park G.4					✓
CMK, B3.1 & B3.2s	✓				
CMK, B3.3N	✓				
CMK, B4.1 - 4.3					✓
CMK, D3.4					✓
Kents Hill			✓		
MK Gallery	✓				
Monkston, Ladbroke Grove	✓				
DEVELOPMENT BRIEFS	Approved	Awaiting Approval	Pre-consultation	Formal Consultation Stage	Programmed for Start
Monkston Park, Lilleshall Ave	✓				
Phoenix Lodge	✓				✓
Pineham					✓
Station Square					✓
Part Independent School Site Shenley					✓
Walton		✓		✓	
Westbury Farm					✓
Westcroft Reserve Site 3	✓				
Wyevale	✓				

ANNEX C

PRE - APPS	Complete	In Preparation	Programmed for Start
Site A Caldecotte Lake			✓
Bradville, Wylie End	✓		
Knowlhill V	✓		
Knowlhill P	✓		
Linford Wood C	✓		
Linford Wood D	✓		
Linford Wood G		✓	
Little Meadow	✓		
Queensbury Lane, Monkston Park plots 10 & 12	✓		
Queensbury Lane, Monkston Park plots 14	✓		
Queensbury Lane, Monkston Park plots 2,4, & 6	✓		
Rooksley Site A	✓		
Shenley Church End Independent School Site	✓		
Shenley Church End North of Aldwycks Close	✓		
Shenley Wood, B	✓		
Snellshall A & B	✓		
PRE – APPS	Complete	In Preparation	Programmed for Start
Snellshall E & F	✓		
Tongwell B			
Walnut Tree Land adjacent to Highgate Over	✓		
Walnut Tree Lichfield Down	✓		
West Ashland	✓		
Winterhill A			✓
Wolverton E	✓		
Wolverton G	✓		

Specific Sites Programmed for Marketing:

- Site B3.3N – the site is being actively marketed for an experienced Development Partner. The strategy is to secure a regional/national developer to encourage the delivery of new high quality grade A offices to bolster the supply pipeline and provide opportunities to attract inward investment.
- B4.1–B4.3 – this strategic CMK site is to be soft market tested to identify potentially suitable uses with consideration given to bringing forward a development brief and marketing brief for this site.
- Campbell Park Northside (Sites F1, G1, H1) – this grouping of development sites are to be marketing with the intention that a Strategic Development Partner can be selected. The sites are to be formally marketed in October 2014.

Additional sites considered for promotion

In addition to the sites mentioned above, active consideration is being given to the promotion of three other sites in CMK and Campbell Park:

- Land in the vicinity Station Square – This is a primary gateway into CMK. Consideration will be given to conceptual design and development options with a development brief being commissioned in due course.
- Land Adjacent Marlborough Gate – Exploring potential additional development / integration with John Lewis multi story car park scheme promoted by the centre:mk with residential and hotel opportunities to be explored.
- Campbell Park Southside (G4) – possible development on the southern side of Campbell Park is being considered for a Residential Festival Site.

23/09/2015