



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Companies Committee

30 June 2020

Report of: Councillor Kelham Cooke
The Leader of the Council



Update on DeliverSK

This paper responds to the request for a progress update on DeliverSK.

Report Author

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Corporate Priority:	Decision type:	Wards:
Growth	Non-Key	All Wards

Reviewed by:	Ken Lyon, Assistant Chief Executive – Housing Delivery	19 June 2020
Approved by:	Karen Bradford, Chief Executive	22 June 2020
Signed off by:	Councillor Kelham Cooke, The Leader of the Council	22 June 2020

Recommendation (s) to the decision maker (s)

1. That Companies Committee notes the contents of this report and receives a report at its next meeting setting out options and recommendations as to establishing DeliverSK

1 Background

- 1.1 On 6th September 2018 Cabinet approved the setting-up of the DeliverSK co-investment partnership. Authority to select the investment partner was delegated to the Cabinet Member for Growth.
- 1.2 The decision had been 'pre-scrutinised' by the Growth Overview and Scrutiny Committee on the 29th August 2018.
- 1.3 IAG were chosen as the investment partner for DeliverSK following a desk top partner-selection process and presentation to informal cabinet, and a Non-Key Decision was made on 19th December 2018.
- 1.4 Discussions progressed with IAG during the course of 2019. During these discussions it transpired that the company that would be entering into the partnership was not IAG but was in-fact a subsidiary of IAG; namely IAGH3.
- 1.5 The change in proposed partner would require a new Non-Key Decision and necessitated due diligence on the new entity.
- 1.6 Also, during 2019, St Martin's Park was progressed to Collaboration Agreement with Burghley Land Limited. This was approved by Cabinet on 21st January 2020.
- 1.7 The St Martin's Park Partnership is in the process of assessing interest from the development market and it is not yet clear whether further investment through DeliverSK – should it be established - would be necessary or desirable, but it remains a possibility.
- 1.8 Progress with the St Martin's Park scheme is a separate item on this agenda.

2 Current Activities

- 2.1 Responses have been sought, from IAG, in respect of the proposed partnership company IAGH3, and these are in the process of being assessed
- 2.2 Once these responses have been fully-assessed a further report will be brought to Companies Committee to either recommend the signing of a new non-key decision or that the co-investment partnership proposal with IAG/IAGH3 is no longer pursued.
- 2.3 If the co-investment partnership is not to be pursued with IAG/IAGH3, this will provide an opportunity to re-assess the need for a vehicle such as DeliverSK.

3 Consultation and Feedback Received, Including Overview and Scrutiny

- 3.1 The decision to enter into a co-investment partnership with IAG was considered by the Growth Overview and Scrutiny Committee on 29th August 2018.

4 Available Options Considered

- 4.1 This report is for noting only so no alternative options have been considered.

5 Preferred Option

- 5.1 This report is for noting only.

6 Reasons for the Recommendation (s)

- 6.1 This report focusses on reporting progress as requested at the meeting of Companies Committee on 4th February 2020.

7 Next Steps – Communication and Implementation of the Decision

- 7.1 Full assessment of the information provided by IAG will allow a report to be brought to Companies Committee, with an appropriate recommendation as to the way forward.
- 7.2 Council approved a budget of £100k to fund the necessary costs that would be incurred in order to establish the appropriate governance and operating structure for DeliverSK. To date, £77k has been incurred leaving a residual budget of £23k.

Financial Implications reviewed by: Richard Wyles, Interim Director of Finance

8 Legal and Governance Implications

- 8.1 The Companies Committee will need to review whether DeliverSK is needed and therefore whether it should be established. The Council should only enter into such a partnership if it has sites to progress which require funding from third party investors. The resilience and financial stability of the new proposed partner, IAGH3, will need to be fully investigated.

Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance

9 Equality and Safeguarding Implications

- 9.1 None

10 Risk and Mitigation

- 10.1 As this report is for noting only there are no risks associated with the decision.

11 Community Safety Implications

- 11.1 None

12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

- 12.1 There are no recommendations in this report that will affect the Council's climate emergency response.

13 Other Implications (where significant)

- 13.1 None

14 Background Papers

- 14.1 Scrutiny by Growth Overview and Scrutiny Committee (29th August 2018) on the proposal to establish DeliverSK:
<http://moderngov.southkesteven.gov.uk/documents/s21224/DeliverSK%20Report%20to%20Growth%20OSC%20290818.pdf>
- 14.2 Decision by Cabinet (6th September 2018) to approve the setting-up of the DeliverSK co-investment partnership:
(<http://moderngov.southkesteven.gov.uk/ieDecisionDetails.aspx?ID=949>).
- 14.3 Non-Key Decision (19th December 2018) to approve IAG as the co-investment partner for DeliverSK: (<http://moderngov.southkesteven.gov.uk/ieDecisionDetails.aspx?ID=978>).
- 14.4 Decision by Cabinet (21st January 2020) to approve the Collaboration Agreement with Burghley Land Limited:
(<http://moderngov.southkesteven.gov.uk/ieDecisionDetails.aspx?ID=1057>).
- 14.5 Report to Companies Committee (4th February 2020) in respect of the collaboration agreement with Burghley:

<http://moderngov.southkesteven.gov.uk/documents/s24748/Companies%20Committee%20-%20formatted.pdf>

Report Timeline:	Date of Publication on Forward Plan (if required)	Not applicable
	Previously Considered by: Companies Committee	4 February 2020
	Final Decision date	Not applicable