

District Councillor's Report – July 2022

Praise for 'ambitious' councils from local government peers

Babergh and Mid Suffolk District Councils are looking to learn from other authorities to further improve their services to residents. The councils recently hosted a Local Government Association (LGA) Corporate Peer Challenge – where an independent team made up of representatives from other local authorities meet with over 200 interested parties, including residents, customers, staff, councillors, and partners, before giving feedback on possible improvement opportunities.

As part of their report, the team concluded that Babergh and Mid Suffolk District Councils are well run and deliver good core services to residents. They described officers as “highly dedicated, committed, and loyal to the organisation and have delivered above and beyond, particularly over the past two years during the pandemic.”

Partners described the councils as “punching above their weight” while the review team praised their ambition and “bold aspirations for place, housing, economic development, skills and innovation” with projects such as the regeneration of Sudbury, Hadleigh, Stowmarket, Needham Market and Eye town centres, plus the development of Gateway 14. The team also noted the councils’ commitment to wellbeing and tackling climate change, particularly the move to transition the entire vehicle fleet, including waste lorries, to run on hydrotreated vegetable oil (HVO) and the £2.5m investment in solar schemes at our leisure centres.

Council finances were felt to be sound, with recognition for the councils’ profitable commercial ventures, with CIFCO bringing in millions in net income and the growth companies delivering new homes for the districts. The review team also noted the councils’ investment in the development and wellbeing of its workforce. However, there were also improvement opportunities for the councils to consider. With so much ambition, the review team recommended strict prioritisation to help manage delivery within resources and capacity. There is scope for better understanding and relationships between officers and councillors. There is also the opportunity to build on the strong connections forged between the councils and its communities over the last two years, with the councils then drawing on the skills and capacity available across the districts to help deliver their vision.

Councils’ commercial property arm makes £6m profit in 2021/22

Babergh and Mid Suffolk’s commercial property company CIFCO made a £6m profit last year – generating £3.75m in net income for the councils to plough back into services, according to a report published this week. This means that since CIFCO Capital Ltd was established jointly by Babergh and Mid Suffolk District Councils in 2017, it has not only maintained its debt repayments in full but also generated an additional £9m in net income for the authorities.

In a report going before the councils’ joint overview and scrutiny committee next week, the company’s draft accounts for 2021/22 also shows a £10m increase in the value of company’s portfolio of properties – more than £3m above their original net purchase price.

The last financial year marks the first full year of trading for CIFCO since completing the acquisition phase of the portfolio, which now comprises of 21 properties, split across industrial, retail and office sectors, and based in the eastern region and beyond, in order to manage risk. Despite fears that the pandemic would leave CIFCO exposed, the company cites rigorous risk management and a diverse portfolio for helping them weather the impact of Covid and collect a higher proportion of rent from their tenants than the current industry average. There has been strong growth in the industrial sector, and although there is still some uncertainty in the office sector, several vacant units across the portfolio have already been re-let.

First occupier confirmed at Gateway 14

Gateway 14 Ltd, wholly owned by Mid Suffolk District Council, has exchanged conditional contracts to develop a distribution unit with home, garden and leisure products retailer The Range.

The Range is one of the fastest growing retailers in the UK. It has over 200 retail stores nationwide and more than 65,000 products across 16 different departments from Homeware and Furniture to DIY and Art Supplies. A further 100+ retail stores are planned in the coming five years, in addition to its growing online presence. The Range already has two existing major distribution centres in the UK and the new site will help meet consumer demand in the South and South East of the country while also supporting operations across the UK. The distribution centre will occupy a high quality, sustainable logistics unit of approaching 1.2m sq ft. It will make a major contribution to the local and regional economy creating an estimated 1,650 new jobs in the area.

A reserved matters application is to be submitted in July with a proposed start on site in January 2023 and practical completion in the Autumn of 2023. Gateway 14 already has outline planning consent for a 2.36m sq ft mixed-use innovation, business and warehousing scheme, and construction of the site infra-structure is already well underway.

A rural fleet transformed: Babergh and Mid Suffolk's HVO journey towards net zero carbon emissions

Babergh and Mid Suffolk District Councils, along with their waste collection provider Serco, are leading the way when it comes to transitioning from standard diesel to Hydrotreated Vegetable Oil (HVO), after becoming the first rural councils in the UK to start the switch to the new fuel back in September 2021.

In 2019 both councils declared a climate emergency, which kickstarted their journey towards finding innovative solutions to tackle climate change at a local level and slash their carbon emissions to net zero by 2030. With a fleet of over 100 vehicles representing the biggest proportion of the councils' total CO2 emissions - just over a quarter (approximately 880 tonnes per year), it was an obvious place to start, and the search for a new sustainable fuel got underway.

Babergh and Mid Suffolk bin lorries cover around 20,000 kilometres of rural Suffolk every week collecting over 100,000 bins from country dwellings to urban town apartments. With around five bins collected per kilometre on average, their rounds are far less compact compared to more urban areas. This rural make-up of the districts, combined with HVO's ability to reduce CO2 by up to 90%* while also cutting other pollutants, meant it quickly became an obvious choice for lowering the authorities' emissions. Aside from needing to procure new tanks and a fuel supply, the switch could also start near-immediately with many

of the fleet vehicles already having HVO-compatible engines, with others soon to follow once upgraded to newer compatible models.

Alternative solutions, such as moving to EV vehicles, were and continue to be explored, but with the market still progressing, especially for EV waste collection vehicles, it wasn't yet a viable option when factoring in cost alongside battery lifecycles and range (mileage per charge), for such a rural area.

Several months on, and the results so far have shown the transition to be a huge success on multiple fronts. Since the switch, the councils' refuse, and recycling vehicles have travelled over half a million kilometres and used more than 358,000 litres of HVO fuel. This has delivered a CO2 reduction of just over 467,000kg across the fleet which equals an amazing 89% CO2 reduction per kilometre travelled, with additional reductions in other pollutants, and carbon savings from other vehicles in the fleet. Other benefits are also making a significant difference; crews, residents, and passers-by can enjoy cleaner air, and the lorries are set for longer engine lives and less maintenance costs owing to the reduction in pollutants.

This reduction in maintenance costs remains an excellent trade-off for the 10-15% increased cost of using HVO fuel, compared to cheaper regular diesel.

Councils urge 'joined-up thinking' over energy infrastructure in the east

Babergh and Mid Suffolk District Councils are calling for an urgent government review of the number and scale of 'potentially devastating' energy infrastructure projects for local communities.

The leaders of both councils have written to the Department for Business, Energy & Industrial Strategy, calling for a wider review of the strategic planning of energy infrastructure including developments such as solar farms and battery storage, for which the districts are seeing a significant number of applications. In the letter, the leaders say they are adding the councils' weight and support to the concerns raised by MPs and residents across the eastern region, "regarding the number and scale of energy infrastructure developments that will result in significant and potentially devastating impacts on our communities, businesses and environments".

Their call follows both councils' recent objections to National Grid's non-statutory consultation on proposals for the East Anglia GREEN project of overhead lines between Norwich, Bramford and Tilbury. The proposal would reinforce the network and help deliver the government's net zero ambitions through increasing amounts of renewable and low-carbon energy generation across the East Anglia region. However, it would also see an additional line of pylons and cables installed, cutting across Mid Suffolk and Babergh, affecting the two districts' communities, businesses, and environment. Instead, the councils are calling for greater clarity about options for a co-ordinated offshore solution.

Changes to Building Regulations

From 15 June building regulations are changing. These amendments have been billed as the biggest changes to building regulations for over 30 years and will have significant impact on those planning building works after this date.

The government is committed to achieving Net Zero by 2050 and as part of the initiative, the changes will ensure that new dwellings and buildings improve their energy efficiency as part of the Future Homes Standard.

What's changing?

There have been updates to parts F (Ventilation), L (Conservation and Fuel) and a new regulation part O (Overheating). These three parts will work to improve the thermal performance of a building, ensuring buildings are safe and useable by occupants, whilst working to reduce emissions and improve their energy efficiency. The change in standards will likely have cost implications for projects, increasing the amount and cost of materials in order to meet the new regulations.

There is also the introduction of a new part, S (Charging of Electric Vehicles). This new standard will ensure that new and altered buildings are ready for the anticipated increase in EVs on the roads in the coming years.

When?

These regulations will apply to all applications submitted from 15 June 2022. Any application received before this date will be allowed to build to the previous standards so long as the build commences before 15 June 2023.

What are we doing?

We have been working hard to raise awareness of these changes with all our clients and customers. At the start of April, we held in-person seminars which welcomed over 100 attendees. We recently attended the Suffolk Show to raise awareness of the changes with the public and we've also been out and about presenting to some of our biggest clients and ensuring we have plenty of digital resources available to our entire community. We will be raising awareness digitally with bitesize/digestible social media posts in the weeks after 15 June as part of the wider campaign to raise awareness of the changes.

Regards

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