



Junction 11 Working Group

Held at:	Council Chamber - Civic Centre Folkestone
Date	Wednesday, 10 January 2018
Present	Councillors John Collier, David Godfrey, Rory Love, David Monk and Dick Pascoe
Apologies for Absence	Councillor Mrs Jennifer Hollingsbee
Officers Present:	Andy Jarrett (Head of Strategic Development Project), Sue Lewis (Committee Services Officer), Deanne Morgan (PA to Corporate Management Team), Susan Priest (Corporate Director - Strategic Development) and Julia Wallace (Masterplanning Project Manager)
Others Present:	Representatives from Savills and Farrells

4. **Declarations of interest**

There were no declarations of interest.

5. **Minutes**

The minutes of the meeting held on 21 September 2017 were noted.

6. **Delivery Option**

Andy Jarrett, Head of Strategic Development Projects introduced the item informing members that officers will be presenting a report to Cabinet on 31 January 2018 which will outline a range of delivery options with a preferred option for a joint venture.

Keith Perry, Arcadis presented members with an overview of the challenges ahead and the range of potential options to be considered.

Major projects create a unique funding challenge because of the complexity of vision, substantial costs along the way, multiple risks and economic cycles. The risks will reduce as the project moves forward, knowing when funders will engage will also be a factor.

There are a number of opportunities throughout the process:

- Profit from horizontal development 'land' – this can potentially start as soon as planning has been agreed.
- Profit from vertical development 'buildings' – how much can be directly made or how much will be sold off, discussions can take place to get the best profit and deal.
- Other income 'operations' – profits that can be made as the scheme becomes more mature.

When investors enter into agreements, particularly at the early stage, they will need to be confident in the planning process, confident in the end result and have an understanding that infrastructure can be phased and matched to revenue. Marketing is really important at the early stages.

The working group were able to look at a couple of delivery structure examples; the first as a land owning vehicle which will be structured to allow full or phased sell down by initial owner(s), with the second option where the land is not transferred but remains with owner(s) and held to use by investment company (fund).

In essence it was made clear that a robust long term plan for the project needs to be in place which can also react to any changes along the way, particularly that of a recession.

7. **Masterplan update**

Members received a presentation from representatives from Savills.