

## Sunderland Council Scrutiny Committee Update December 2018

Siglion is a 20 year joint venture partnership. It was formed in November 2014 between Sunderland City Council and Carillion (Maple Oak) Developments Ltd, with development and asset management services provided by industry leading experts igloo Regeneration. Although Carillion (Maple Oak) Ltd is a subsidiary of Carillion Plc, it is not currently in liquidation.

The Siglion partnership does not rely on any continued financial investment from either partner to continue delivering upon its business plan and our main focus, to instigate regeneration through well designed development across the city, has carried on through 2018 as planned. In addition, Siglion owns a 1m sqft commercial property portfolio incorporating a wide variety of uses.

Siglion LLP is the overriding company which has 2 subsidiaries, Siglion Developments and Siglion Investments. Our work in these 2 companies can be explained as follows:

### A) SIGLION DEVELOPMENTS

#### 1. Vaux



Following almost 17 years of inactivity, work commenced on the first phase of development on the Vaux site during 2016. The first phase includes a 60,000 sqft office building with ground floor retail / leisure accommodation and an extensive public realm space, including the completion of the Keel Line. The appointed main contractor for Phase 1, Carillion Construction, terminated work on the site on 15<sup>th</sup> January 2018. Following a thorough retender process work recommenced in June 2018 under the main contract with Tolent Construction. Not only is this one of the first Carillion Construction sites in the country to recommence work but we have also ensured, through the process that original sub contractors were reappointed, building warranties are preserved and no reduction in build quality has been seen. Phase 1 is scheduled for completion in March 2019.

In addition to Phase 1, work has been progressing on the final designs for “The Hub” – a multi occupied public sector building fronting onto St Mary’s Boulevard.



Siglion’s development strategy for the long-vacant Vaux site is based on a comprehensive mix of uses comprising predominantly business-space and homes but also including leisure, ancillary retail and cultural spaces phased across the whole site in order to redefine Vaux as a vibrant new city-centre district for Sunderland. This strategy is based on the following principles of economic development:

1. Attracting businesses whose activity has spill-over benefits for other businesses around them would have a multiplying impact on activity in the city centre, further increasing the output of the economy. Siglion’s Vaux masterplan responds to this by delivering business-space in an environment that overtly encourages business-to-business activity, concentrating new economic activity in the City centre as a means of increasing the productivity of Sunderland’s businesses.
2. Research identifies that the availability of higher-skilled services jobs is likely to become ever-more important to a city economy. Having a city centre that supports higher-value job-creation is therefore recognised as being important for the long-term growth prospects for Sunderland’s overall economy. Further, a lack of activity on land such as the Vaux site means that this land is not being used for job creation and output generation, which restricts the overall output from Sunderland’s economy. Bringing dormant sites such a Vaux back into use is seen as being a critical driver for Sunderland’s direct and indirect economic growth.
3. Housing choice in the city-centre has not kept pace with rising aspirations and incomes. As a consequence, the city has been losing younger people and young families. Offering a wider choice of housing to the market is considered essential in retaining and attracting the occupants of the City needed to build a vibrant and successful economy.

To deliver Vaux in accordance with these principles, Siglion is addressing five strands of development:

- Bringing new workspaces to Vaux focused on three types of occupiers:
  - Multi-tenanted building for local and regional businesses in the knowledge sector;
  - Public-sector Hub;
  - Private-sector offices for larger / single occupiers;
- New homes within a distinctive residential neighbourhood; and
- Amenity uses

The Vaux site may be differentiated by 2 key factors: location and amenity. By prioritising these factors we will provide an immediately recognisable distinction from out-of-town business parks and housing developments. In contrast Vaux will offer a stunning environment of workplaces, homes and local amenities linked to a city-centre, public transport, riverside walks and vistas out to the sea – an offer that can be combined with proud history, an energetic cultural scene and strong associations with healthy, sustainable lifestyles that attract regional occupiers and national investors.

## 2. Seaburn



There was a time when Seaburn was a thriving resort with a permanent fairground, restaurants, deck chairs and donkey rides. However along with many UK resorts its popularity has declined as a destination for family holidays. The nature of a 21<sup>st</sup> century seaside resort has changed from when they catered for family holidays, they are more likely now to draw day trippers in, with a more aspirational and quality offer, with people seeking somewhere to live.

The Sunderland coastline is a massive asset to build on, with its stunning beaches and sea-front from Seaburn through to Roker and the marina. There is a real opportunity to broaden the appeal helping to support Sunderland's aspiration to be "the UK's most liveable city". and adding to the spend in retail and restaurant venues along the sea-front, together with utilizing Cut Throat Dene as an outdoor leisure space. The 4\* Marriott hotel could be complemented by a 3\* boutique, budget or aparthotel operator, and we see commercial potential to develop some additional A1 retail space. Combining this with A3, café-bars and restaurants, across the front, this will strengthen the visitor attraction to the sea front enhancing the evening economy.

The hybrid planning permission was granted on 31<sup>st</sup> October 2017, on completion of the S106. This permission sets out the parameters for the future development as well as the detailed consent for the initial infrastructure works which includes the new car park on Dykelands Road.

The consent consists of a number of regulatory plans, including land use, height, activation of the seafront together the maximum quantum of development, 279 new homes and 97,000 sqft of commercial/leisure space. Our latest masterplan is currently undergoing some reconsideration, whilst the outline planning consent states physical numbers in terms of square footage, building heights and numbers of homes it should be noted that is likely that the final delivery is considerably less than these figures. We will update the committee on progress on the masterplan in due course.



### 3. Potters Hill (formerly Chapel Garth)

Part of the South Sunderland Growth Area (SSGA) with over 3,000 new homes planned. The site has the potential to significantly contribute to this with family oriented homes along a more traditional developer route with private outside family space.

This site will be developed to a lower density than those in the city centre so that it is more in keeping with the surrounding area. To meet with the City Council's aspirations a proportion of the site will be designed and marketed for more aspirational or executive homes that we agree with the City are essential for Sunderland to provide attractive housing for business leaders working in the city and the surrounding area.

Hybrid planning consent was granted in December 2016 with completion of the S106. This consent is for 750 homes, of which a minimum of 20% will be 5 plus bedrooms reflecting the wish for Executive style homes in this location. In addition, there is provision for a small scale retail/community facility of up to 10,000 sq ft which could form the heart of the scheme along with the high quality public realm and open spaces. This facility could house a doctor's surgery, nursery, dentist etc.

Siglion's aim, to act as Master Developer for delivery of this site, is illustrated well by our agreement to sell an initial parcel of land to Miller Homes who commenced work on site in October 2018 to deliver the first 160 homes.



The masterplan maximizes permeability through the site with a clear street network and hierarchy. The road hierarchy has been developed by creating a main primary spine which links the new neighborhoods together with secondary and tertiary routes leading from here. Pedestrian links then connect through to open spaces and to existing cycle and pedestrian networks as well as linking new neighborhoods.

The open space is high and this reflects the characteristics of the site with the existing woodlands. A green buffer with acoustic screen is created along the A19 with a green central spine connecting the entire neighborhoods together and increasing the habitats for wildlife and biodiversity. A hierarchy of open spaces is created, with existing woodlands and open spaces to formal parks and private gardens. This increased level of open space helps to create a distinctive sense of place.

## B) SIGLION INVESTMENTS

The investment portfolio is made up of a variety of assets including commercial, workspace, retail and industrial properties with a mixture of single occupation and multi occupied properties spread across the City. Siglion continue to manage this through a strategic asset management approach which allows us to grow the value of the portfolio for the benefit of the partners and to provide a solid base of assets from which to drive the regeneration of the city.

