

**REVOLVING  
INVESTMENT FUND  
COMMITTEE**

**1 February 2016**

*Present:-* Councillors Cory, Feltham, T. Young

*Substitutes:-* Councillor Smith for Councillor Frame

Councillor Havis attended as an observer in her capacity as Chairman of the Trading Board

*Also in attendance:-* Councillor Jarvis

**28. Minutes**

*RESOLVED* that the minutes of the meeting held on 11 November 2015 be confirmed as a correct record.

**29. The Redevelopment of 5-6 St Nicholas Street (Jacks)**

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member.

Howard Davies, Regeneration Programme Manager, presented the report to the Committee. Feasibility work on the site had been undertaken by a local architectural practice, Purcell, and they had brought forward proposals for a commercial/retail use on the ground floor and seven residential flats over all three floors. The proposed development would retain the key character of the building. Although the plans included a three storey rear extension, the front elevation would remain as existing. It would contribute to the regeneration of this part of the town centre. It would also generate an income stream for the Council and create additional residential provision in the town centre.

Members of the Committee expressed their support for the development which would be an investment in the future of the town centre and would create an income stream for the Council. The Committee expressed their disappointment at some of the press coverage of the development. In response to questions from the Committee it was explained that Purcell had been appointed through an open tender process and had been selected both on cost and quality criteria. The expenditure on the feasibility study could be broken down approximately as follows:-

- £19,000 Purcell design fees;
- £1350 Quantity Surveyor costs
- £4000 Materials Survey costs
- £2000 Structural Survey costs

The proportion of the overall project costs that would be spent on architectural fees was in line with other projects. The Committee requested that officers work with the Council Communications team to follow up the press coverage and to clarify these issues.

Members of the Committee also requested further investigative work be done on VAT issues, looking at whether if the work was done by a company wholly owned by the Council, whether it would be exempt from VAT. Members also asked if the residential units would be suitable to be classed as starter homes that could be included within the government discount scheme.

*RESOLVED* that the contents of the report be noted and the formal decisions be taken following consideration of the report in part B of the agenda.

### *REASONS*

The RIF was established to recycle capital receipts into projects that could deliver against a number of Council objectives. The RIF can be used to support wider economic growth targets and deliver infrastructure supporting regeneration but its principal function is to recycle capital funds from the sale of assets for investment into income producing opportunities which can in turn support provision of frontline Council services. This proposal delivers on a number of these objectives by, restoring a historic building in a key part of the town centre to deliver economic growth, creating new town centre living opportunities and providing a return through a robust investment case.

Where the Council wishes to secure high levels of future income there is a need to carry out investment decisions in a more commercially focused way based on a clear business case. The Business case is attached to the report on Part B of the agenda.

### *ALTERNATIVE OPTIONS*

The business case in Part B of this agenda outlines a number of ways in which the site can be redeveloped but the only alternative option to redevelopment is to leave the building in its existing state with the current temporary tenant on the ground floor and vacant space on the upper floors. Given the age and general condition of the building it is not recommended that this option is pursued as costs of maintenance and repair will increase. Furthermore this area is starting to benefit from increased inward investment and if the location improves then values will rise making redevelopment an attractive option.

**The Committee resolved under Section 100A(4) of the Local Government Act 1972 and in accordance with the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from the meeting for the following items as they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local**

**Government Act 1972.**

**30. The Redevelopment of 5-6 St Nicholas Street (Jacks)**

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

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**31. Colchester Northern Gateway (North) Development Proposal**

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