

Revolving Investment Fund Committee

Item
9

16 September 2015

Report of	Head of Commercial Services Assistant Chief Executive	Author	Patrick O'Sullivan ☎ 282976
Title	Colchester Northern Gateway – Disposal of 18 acre Leisure Anchor site at United Way		
Wards affected	All		

This report concerns the disposal of 18 acres of land immediately to the east of the Community Stadium for the development of a significant component of the future commercial sports and leisure offer at the Northern Gateway

1. Decisions Required

To note the recommended proposal detailed on Part B of the Agenda for the long leasehold disposal of the 18 acre site at United Way, and that delegated authority will be given to the Executive Director for Commercial and Place in Consultation with the Portfolio Holder for Economic Growth and Planning to agree final terms and complete legal documents associated with the disposal.

2. Reasons for Decisions

- 2.1 The disposal meets the Council key objectives for Northern Gateway to:
- support wider economic growth targets and deliver infrastructure to enable regeneration,
 - create a new destination within the Borough to promote new sports participation and provide a regional quality leisure experience
 - to generate significant new income streams to support the Council to maintain quality front line services.
- 2.2 The disposal of these sites and their subsequent redevelopment will act as a catalyst for the wider development of the remaining land at Northern Gateway.

3. Alternative Options

- 3.1 The Council can maintain an income stream from its land if it disposes of the sites on a long leasehold basis. It could instead sell the freehold of the land which would generate a substantial capital receipt but would lose control of the sites and would not provide an ongoing revenue stream to support Council services.

4. Supporting Information

- 4.1 Following a Cabinet decision of 5th September 2012 Members formally endorsed the Vision for the Northern Gateway which was presented within the Masterplanning work carried out by Allies and Morrison.

4.2 Members had previously requested that the Vision for the Northern Gateway should incorporate the following outcomes:

- A new gateway destination for Colchester, and the wider region.
- A 21st Century vibrant location offering participation sports and family leisure.
- The creation of 3500 jobs.
- Striking design
- Green credentials
- Supportive of the Town Centre
- Significant new revenue streams

4.3 The Masterplan incorporated the land parcels at Cuckoo Farm which had the benefit of outline planning permissions, originally granted in 2006.

4.4 These outline permissions have already delivered the Community Stadium, Flakt Woods development, Easter Park, the East West route, Junction 28 on the A12, BP petrol filling station relocation, a McDonald's roadside restaurant, Lancaster, Inchcape and Via Urbis Romanae. The same permissions are about to deliver a development by Lookers, and a David Lloyd Tennis Centre.

4.5 During the early months of 2015 the Council carried out a soft marketing exercise to establish the level of interest from the Leisure development sector and their funders.

4.6 With the information gathered on the soft marketing campaign, the Council then commenced the disposal process in respect of the development of two parcels of land totalling 18 acres, immediately to the east of the Community Stadium. From the broad range of interest, five parties were selected for initial interview in early July 2015. This was then reduced to two Developers who were invited to provide more design detail for their schemes, explain further their financial proposals, and also enter discussions around the prospective legal arrangements that they would be willing to agree to, if selected by the Council as preferred bidder.

4.8 Each of the two developers presented to the Cabinet Members for Economic Growth and Planning and Resources and following a final scoring process a recommendation will be included in a Supplementary Report to be included in Part B of the Agenda.

5.0 **The Proposal**

5.1 It is proposed that the 18 acre site will be transferred on a long leasehold basis to the recommended developer in order for them to bring forward a leisure based development.

5.2 As part of the second stage marketing process for the land, developers were required to provide a scheme design, financial offer and key legal terms for the long lease.

6. **Strategic Plan References**

6.1 The scheme will "Promote Colchester to attract further inward investment and additional businesses, providing greater and more diverse employment and tourist opportunities"

6.2 The scheme will "Regenerate our Borough through buildings, employment, leisure and infrastructure" by providing a new high quality destination, together with employment growth.

- 6.3 The proposal contributes to the Council's aim to "Become commercially focused and even more business-like in order to be free of government grant by 2017" by delivering a substantial new income stream.
- 6.4 The proposed development will support the Council's objective to "Create the right environment for people to develop and flourish in all aspects of life both business and pleasure" by creating a new sports and leisure hub, within which new businesses can be developed as well as residents using the facilities during their leisure time.
- 6.5 The preferred development is expected to "Promote Colchester's heritage and wide ranging tourism attractions to enhance our reputation as a destination"
- 6.6 The proposed legal and financial structures will support the Council's ambition to "Be clear about the major opportunities to work in partnership with public, private and voluntary sectors to achieve more for Colchester than we could on our own."
- 6.7 It is anticipated that the preferred scheme will make a significant contribution to the Council's wish to "Cultivate Colchester's green spaces and opportunities for health, wellbeing and the enjoyment of all"

7. Consultation

- 7.1 The Council's original aspirations for this site were consulted upon as part of the Planning application process in 2006.
- 7.2 In 2014 a public consultation was conducted in various different locations within the Borough, with a view to explaining the Council's wider Vision for the Northern Gateway, and to listen to feedback from all interested parties.
- 7.3 The development of the Vision for this site, and now its delivery has been continuously and regularly shared both within the Council, and with Members and key stakeholders.
- 7.4 It is likely that multiple reserved matters applications will shortly be submitted for this site. At that time the detailed schemes will be consulted upon in the usual way.

8. Publicity Considerations

- 8.1 There have already been a significant number of good news stories generated by the development of the wider site.
- 8.2 This 18 acre site is likely to attract a great deal of positive interest from the residents of the Borough, when details of the proposed scheme are made public

9. Financial implications

- 9.1 The financial implications of the proposed scheme will be detailed in the Supplemental Report to be prepared after the Presentation to Members on 8th September 2015 and will be incorporated within Part B of the agenda of the RIF Committee on 16th September 2015.

10. Equality, Diversity and Human Rights, Community Safety and Health and Safety implications

- 10.1 None identified at this stage.

11. Risk Management Implications

- 11.1** This 18 acre site has formed part of a long standing Risk Register that has been reported upon to Economic Growth Steering Group on a monthly basis for a number of years. Any risks to the Council arising from the future delivery of the proposed scheme will be itemised within the Supplemental Report to be circulated following the Presentation to Members and the selection of the preferred Developer.

Enclosed documents:

1. Red line plan of the 18 acre site proposed for development.