

Revolving Investment Fund Committee Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ
Wednesday, 10 August 2016 at 18:00**

The Revolving Investment Fund Committee has delegated authority from Cabinet to manage the Revolving Investment Fund, which has been established for the commercial management, disposal of and investment into key assets in order to drive forward income generation projects.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services. Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to most public meetings. If you wish to speak at a meeting or wish to find out more, please refer to Attending Meetings and "Have Your Say" at www.colchester.gov.uk

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www.colchester.gov.uk

Revolving Investment Fund Committee

Terms of Reference

To make decisions regarding the following:

- (1) Develop and Set the re-investment strategy for the rolling 5 year programme including:
 - (a) Establishment of a pipeline of high rental growth projects (subject to approval by way of a business case process) and subject to a spending cap of £5m
 - (b) Agree annual capital funds to be set aside for opportunity purchase of land/new investment assets (subject to investment business case being made).
- (2) A Project selection process – Establish a process for spend on non-income producing regeneration projects (subject to business case).
- (3) Developing and monitoring a capital receipts programme.
- (4) Developing and monitoring investment performance against key financial targets.
- (5) Developing a monitoring framework for schemes being developed with RIF investment.
- (6) Develop a strategy for any borrowing activities within the fund (subject to the Council's overall treasury management strategy).
- (7) Project Appraisal – Development of a formal business case procedure to include the following criteria:
 - (a) Return on investment (or regeneration outputs for non-income producing regeneration projects) – would income from the proposed project meet rates of return required to invest the capital requested?
 - (b) Deliverability – including a review of the planning status, barriers to development, market conditions, ownership and legal limitations
 - (c) Strategic fit – does the project support Council Strategic Priorities?
 - (d) Timescale for commencement of income
 - (e) Risk versus reward – Does the projected income outweigh the deliverability risks from the investment of capital, what is the security of income?
 - (f) Wider economic impacts – the wider impact of the project on the local economy eg stimulating other local development, contributing to growth of local business or housing targets, local supply chain utilisation.
- (8) Development and overseeing the overall approach to investment risk management including appropriate reviews of risks within the RIF against wider Council risk register.
- (9) Developing the mechanism for new assets to be added to the RIF capital receipts programme.

The Committee will have the authority to commission any reports or external advice/advisors that it needs to fulfil its responsibilities.

COLCHESTER BOROUGH COUNCIL
Revolving Investment Fund Committee
Wednesday, 10 August 2016 at 18:00

Member:

Councillor Mark Cory
Councillor Annie Feltham
Councillor Paul Smith
Councillor Tim Young

Substitutes:

All members of Cabinet who are not members of this Committee.

The Chairman of the Trading Board, Councillor Rosalind Scott, is also invited to attend meetings of the Revolving Investment Fund Committee as an observer.

AGENDA - Part A
(open to the public including the press)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief.

1 Appointment of Chairman

To appoint a Chairman of the Revolving Investment Fund Committee for the ensuing municipal year.

2 Appointment of Deputy Chairman

To appoint a Deputy Chairman of the Revolving Investment Committee for the ensuing municipal year.

3 Welcome and Announcements

a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched to silent;
- the audio-recording of meetings;
- location of toilets;
- introduction of members of the meeting.

4 Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

5 **Urgent Items**

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent, to give reasons for the urgency and to indicate where in the order of business the item will be considered.

The Leader of the Council and the Chairman of the Cabinet has agreed that the following report "Purchase of Properties at Osborne Street, Vineyard street and Arthur street, Colchester" should be considered at this meeting of Revolving Investment Fund Committee as a matter of urgency.

Purchase of properties - urgent - public

9 - 12

6 **Declarations of Interest**

The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgement of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

- 7 **Have Your Say!**
- a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter relating to the terms of reference of the Committee/Panel not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.
- (b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter relating to the terms of reference of the Committee/Panel not on this agenda.
- 8 **Minutes**
- To confirm as a correct record the minutes of the meeting held on 8 March 2016.
- 08-03-16 minutes** 13 - 16
- 9 **Purchase of Properties at Osborne Street, Colchester** 17 - 20
- See report by the Head of Commercial Services
- 10 **Appointment of an Operator for the Colchester Borough Council Town Centre Fibre Network** 21 - 24
- See report by the Strategic Director, Commercial and Place
- 11 **Exclusion of the Public (Cabinet)**
- In accordance with 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, including the press, from the meeting so that any items containing exempt information (for example personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

Part B

(not open to the public including the press)

12 **Minutes (Part B)**

To confirm as a correct record the not for publication extract of the minutes of the meeting on 6 March 2016.

13 **Purchase of Properties at Osborne Street, Colchester (Part B)**

See report by the Head of Commercial Services

14 **Appointment of an Operator for the Colchester Borough Council Town Centre Fibre Network (Part B)**

See Appendix to the report of the Strategic Director, Commercial and Place (to follow)

15 **Urgent Item - Purchase of Properties at Osborne Street, Vineyard Street and Arthur Street**

The Leader of the Council and Chairman of Cabinet has agreed that the following report should be considered as a matter of urgency

See report by the Head of Commercial Services

10 August 2016

Report of	Head of Commercial Services	Author	Fiona Duhamel
Title	Purchase of properties at Osborne Street, Vineyard Street and Arthur Street, Colchester		282252
Wards affected	Castle		

This report concerns a strategic land purchase of properties at Osborne Street, Vineyard Street and Arthur Street in Colchester

1. Decision(s) Required

- 1.1 To note the confidential report on Part B of this agenda for the purchase of land and buildings at 8-13 Osborne Street, car park at Vineyard Street and 4 Arthur Street.
- 1.2 To note the request in Part B of this Agenda for delegated authority to the Strategic Director for Commercial and Place in consultation with the Portfolio Holder for Regeneration to conclude the purchase within a set time period as required by the vendor.

2. Reasons for Decision(s)

- 2.1 In a report to Cabinet on 17 March 2014 Cabinet agreed to set aside funds in the RIF to acquire land required for the development of the Vineyard Gate scheme.
- 2.2 Whilst negotiations are still ongoing to bring forward a scheme on the land, an opportunity has arisen to purchase land belonging to Caddick Developments as they now wish to dispose of their ownerships in Colchester. The ability to secure a greater land holding in this area provides the Council with a stronger negotiating position in any future discussions but also gives it the ability to accelerate the process of delivery.
- 2.3 The vendor has indicated that they wish to complete any sale within 4 weeks of issue of legal documents.

3. Alternative Options

- 3.1 The Council could have decided not to purchase these sites, however, if they were purchased by a third party, who improved them, then this could result in a higher compulsory purchase price for the Council when redevelopment and full site assembly is required.

4. Supporting Information

- 4.1 Redevelopment in this part of the town centre has been a Council priority and together with sites on Queen Street formed part of the St. Botolph's Quarter masterplan of 2005.

- 4.2 Confidential and commercially sensitive discussions are ongoing to bring forward a development in this part of the town centre.
- 4.3 Development of a comprehensive scheme in this area requires a number of strategic land acquisitions. The opportunity has arisen recently to buy a number of properties which have been placed on the market including the successful purchase of two properties by the Council at auction in July this year.
- 4.4 Due to the vendor's requirement to complete the sale within 4 weeks, the Leader of the Council as Chair of Cabinet has agreed that this item may be placed onto the RIF agenda under special urgency measures.

5. Proposals

- 5.1 The Revolving Investment Fund Committee is requested to approve the Heads of Terms within the confidential part of this agenda for the acquisition of 3 properties at Osborne Street, Vineyard Street and Arthur Street. The properties comprise:
- 5.2 Property 1 – 8-13 Osborne Street – Commercial warehouse/workshop premises
Property 2 – 4 Arthur Street – Office and warehouse premises
Property 3 – Car Park – Vineyard Street
- 5.3 The purchase will be on a freehold basis, subject to a number of temporary leases with a proposed completion within 4 weeks of issue of legal papers.

6. Strategic Plan References

- 6.1 The purchase of these properties meets with the Council's Strategic aspiration to enhance the diverse retail and leisure mix and create the right environment for people to develop and flourish.
- 6.2 It also promotes Colchester to attract further inward investment and additional business.

7. Consultation

- 7.1 There will be opportunities for consultation on the next stages in the delivery process.

8. Publicity Considerations

- 8.1 There has been a significant amount of interest in the development proposals in this area. Further plans for the area will be subject to a communications plan to ensure sufficient information is disseminated to members of the public and key stakeholders.

9. Financial implications

- 9.1 Heads of Terms for the freehold purchase of the properties have been agreed and are outlined in the confidential part of this agenda.
- 9.2 The RIF Committee of 11 November 2015 allocated £6.1m of projected capital receipts for land acquisition in the Vineyard Gate scheme area. However, as the identified capital receipts are currently profiled for 2017/18 and 18/19, the purchase of the properties detailed in this report will create a short-term funding shortfall within the RIF medium-term forecast. This can be met by 'internally borrowing' funds from the Council's Capital

Expenditure Reserve that have been committed to other Capital Schemes, but are unlikely to be utilised this financial year. The Council's five year capital receipts forecast is still shown to be in surplus, and will be kept under review to ensure the level and timing of projected receipts remains up to date.

10. Equality, Diversity and Human Rights implications

- 10.1 The Equality Impact Assessment is published on the website [here](#) and can also be found by following the pathway:-

Colchester Borough Council/Your Council/How the Council Works/Equality Impact Assessments/Commercial Services/Property Purchase Osborne Street

11. Community Safety Implications

- 11.1 N/A

12. Health and Safety Implications

- 12.1 N/A

13. Risk Management Implications

- 13.1 The current tenants could end their lease and leave the Council with empty buildings. Given the age and condition of the properties they could prove difficult to re let. However given the low levels of rent currently achieved and redevelopment ultimately being the reason for purchase, the impact of this risk materialising is low.

**REVOLVING
INVESTMENT FUND
COMMITTEE**

8 March 2016

Present:- Councillors Feltham, Frame T. Young

Substitutes:- Councillor Smith for Councillor Cory
Councillor Havis attended as an observer in her capacity as Chairman of the Trading Board

Also in attendance:- Councillor Jarvis

32. Minutes

RESOLVED that the minutes of the meeting held on 1 February 2016 be confirmed as a correct record.

33. Revolving Investment Fund – Financial Update

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

Steve Heath, Finance Manager, presented the report to the Committee. The Revolving Investment Fund account was broadly in balance with a manageable shortfall of £135K forecast by end of 2018/19. Ian Vipond Strategic Director, stressed that one of the aims of the Revolving Investment Fund was to increase the Council's commercial income, and the Fund should have generated an income of almost £1 million by 2018/19.

RESOLVED that the latest financial position for the Revolving Investment Fund be noted.

REASONS

Cabinet agreed to create the Revolving Investment Fund (RIF) as a way to recycle capital receipts into profitable high income producing development schemes and regeneration/economic growth projects. The Head of Commercial Service's report sets out the updated financial position of the RIF and proposes allocations of funding to specific projects.

ALTERNATIVE OPTIONS

It would be possible to consider different allocations to projects. However, the proposals in the Head of Commercial Services report represent a considered view of the cost to deliver

a number of projects and income budget targets.

34. The Acquisition of Land and Building Known as Seven Saints Farm, Severalls Lane, Colchester

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

Fiona Duhamel, Economic Growth Manager, presented the report to the Committee. This was an opportunity for a strategic land purchase, with the potential in the long term to provide income or a capital receipt. The site constituted 33 acres of grazing land, together with a house and some outbuildings, which in a poor condition. There was sufficient funding for the purchase. The Council have no short term plans to change the use of the site for disposal.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, stressed the importance of maintaining the Council's strategic land bank, which would provide opportunities for future generations.

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 principle 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 is a strategic land purchase which has the potential in the longer term to provide income and/or capital receipts.

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 included in Part B of the agenda.

ALTERNATIVE OPTIONS

The only alternative option at this stage is not to progress with the acquisition. The business case in Part B of the agenda discusses the various options for the site once acquired, but these would be the subject of separate business cases in due course.

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.

35. Minutes

RESOLVED that the not for publication extract from the minutes of the meeting held on 1 February 2016 be confirmed as a correct record subject to the amendment of Councillor Young's interest in minute 31 which should refer to his son's membership of a cricket team that played at Colchester Rugby Club.

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.

36. Revolving Investment Fund Financial Update

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)).

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.

37. The Acquisition of Land and Buildings Known as Seven Saints Farm, Severalls Lane, Colchester

The Head of Commercial Services submitted a report a copy of which had been circulated 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)).

10 August 2016

Report of	Head of Commercial Services	Author	Howard Davies
Title	Purchase of properties at Osborne Street, Colchester		507885
Wards affected	Castle		

This report concerns a strategic land purchase of properties at Osborne Street, Colchester

1. Decision(s) Required

- 1.1 To note the purchase of the two identified properties in Osborne Street which were purchased at auction on 27th July 2016, pursuant to the provisions of Cabinet Procedure Rule 22. (Matters of Urgency)
- 1.2 To delegate authority to the Strategic Director for Commercial and Place in consultation with the Portfolio Holder for Regeneration to conclude the purchase within a set time period as required by the auction process.

2. Reasons for Decision(s)

- 2.1 In a report to Cabinet on 17 March 2014 Cabinet agreed to set aside in the RIF up to £6million to acquire land required for the development of the Vineyard Gate scheme.
- 2.2 Whilst negotiations with the developer have still to be concluded, there was an immediate opportunity to acquire two key properties which are within the original land acquisition boundary. The ability to secure a greater land holding in this area provides the Council with a stronger negotiating position in any future discussions.
- 2.3 The auction process provided the Council with the opportunity to acquire the properties at a price which is less than Compulsory Purchase Order values.

3. Alternative Options

- 3.1 The Council could have decided not to bid for these sites, however, if they were purchased by a third party, who improved them, then this could result in a higher purchase price for the Council when redevelopment and site assembly comes forward

4. Supporting Information

- 4.1 Redevelopment in this part of the town centre has been a Council priority and together with sites on Queen Street formed part of the St. Botolph's Quarter Masterplan of 2005.
- 4.2 Discussions are ongoing to bring forward a development in this part of the town centre.

4.3 Development of a comprehensive scheme requires a number of strategic acquisitions and the opportunity has arisen recently to buy a number of properties being placed on the market.

4.4 Two properties in Osborne Street were placed in separate lots in an auction on the 27 July 2016. The properties consisted of one house, which has been recently used for commercial purposes and a separate yard which jointly had a guide price of circa £280,000.

5. Proposals

5.1 Revolving Investment Fund Committee are requested to note that officers successfully bid for the properties at auction in London on 27 July 2016 following consultation with the Monitoring Officer and the Leader of the Council pursuant to the provisions of Cabinet Procedure Rule 22 (Matters of Urgency).

6. Strategic Plan References

6.1 Regeneration of this part of the Town Centre will contribute to generating opportunities for growth and supporting infrastructure.

7. Consultation

7.1 N/A

8. Publicity Considerations

8.1 N/A

9. Financial implications

9.1 Both properties are leased to a local taxi firm.

9.2 Previous Cabinet decisions have led to the allocation within the RIF for land acquisition and development in the Vineyard Gate scheme area. However, the majority of this provision is profiled for 2017/18 and 18/19. Given the size of the purchase price involved this is considered manageable and the implications of funding early acquisitions prior to the identified capital receipts being realised will be considered in the finance update report to the next RIF Committee.

10. Equality, Diversity and Human Rights implications

10.1 The Equality Impact Assessment is published on the website [here](#) and can also be found by following the pathway:-

Colchester Borough Council/Your Council/How the Council Works/Equality Impact Assessments/Commercial Services/Property Purchase Osborne Street

11. Community Safety Implications

11.1 N/A

12. Health and Safety Implications

12.1 N/A

13. Risk Management Implications

- 13.1 The current tenants could end their lease and leave the Council with empty buildings. This is unlikely as taxi users are used to attending this office to get cabs. In addition, the rear area is used by them to park their cabs. However, officers will liaise with the company once the completion date has been realised, approx. 30 days from the date of the auction.

10 August 2016

Report of	Strategic Director, Commercial and Place	Author	Steven Eke ☎ 508795
Title	Appointment of an operator for the Colchester Borough Council Town Centre fibre network		
Wards affected	Not applicable		

This report concerns the appointment of a network operator for the town centre fibre network following a competitive tender process

1. Decision(s) Required

- 1.1 To note the list of companies that have tendered to operate the Council-owned fibre network which has been installed in the Town Centre.
- 1.2 To give delegated authority to the Strategic Director for Commercial and Place in consultation with the Portfolio Holder for Resources to select the most suitable and commercially viable bid from among companies responding to the tender for a fibre network operator, and to conclude the appointment of the successful bidder.

2. Reasons for Decision(s)

- 2.1 To ensure that a network operator is appointed to run the Council's newly completed fibre network in the Town Centre which provides the best possible commercial return on the asset and provides the opportunity for all town centre businesses to connect to ultrafast broadband.
- 2.2 To meet a proposed start date of 1st September 2016 for provision of the service.

3. Alternative Options

- 3.1 The alternative would be to rely on other infrastructure providers to bring forward this exciting opportunity, which would be likely to take considerable time and would not necessarily offer the upload and download speeds possible through this project.

4. Supporting Information

- 4.1 The Ultrafast Business Case which received funding from the South East Local Enterprise Partnership in 2015 under the Government's Single Local Growth Fund, includes plans to deploy a pure fibre gigabit network to the Town Centre, accessible to some 850-900 businesses. It will provide ultrafast connectivity to the business community at affordable prices for the first time.
- 4.2 The project is at an advanced stage of deployment, with remaining technical installation works in the Town Centre due to take place in late July and during August. The network, consisting of more than 20km of new ducting and 7km of fibre optic cable, will be fully in

place in time for the network operator to begin the task of commercialising it and building a customer base from 1 September 2016. Town Centre businesses continue to display great enthusiasm for the project and we are confident of a rapid initial take-up and sustained growth during the first 3-5 years of the network's operation.

- 4.3 The network operator will be responsible for the commercial arrangements with service providers, who will market connectivity solutions to end-users. The Council will not be involved with the direct marketing of connectivity to end-users, but the contractual basis of the relationship with the appointed operator means the latter will report back on progress and maintain open-book accounting so that the Council is fully aware of all income streams.
- 4.4 Beyond agreed start-up fees for the provision of hardware that will remain the Council's property (physical assets), no subsidy or on-going contribution will be paid to the operator by the Council. The contract between the parties will set out the division of rights and responsibilities. The proposals fully comply with current State Aid provisions.

5. Proposals

- 5.1 Bids for the operator tender are confidential and will be provided to RIF members during the confidential section of the meeting. Due to the timescales required to commence this contract, at the time of the RIF meeting these bids will not yet have been formally appraised and whilst the confidential schedule will enable Members to see the number and scale of each bid, it is not possible at the time of the Committee to provide a recommendation on a preferred operator. Therefore it is proposed that once the final analysis of tenders has been concluded, a report will be prepared for formal sign-off by the Director for Commercial and Place in consultation with the Portfolio Holder for Resources under the scheme of delegation. It is further proposed that RIF delegate completion of the necessary legal contract with the recommended operator to the Director for Place and Commercial in consultation with the Portfolio Holder.

6. Strategic Plan References

- 6.1 The broadband project is closely aligned with key priorities in the Strategic Plan (2015-18):

Vibrant – “Create the right environment for people to develop and flourish in all aspects of life, both business and pleasure”: the fibre network will considerably boost the investment attractiveness of Colchester Town Centre to businesses in the forward-thinking, creative and digital sectors.

Prosperous – “Promote Colchester to attract further inward investment and additional businesses”: the fibre network will greatly improve the ranking of connectivity in Colchester town centre among the UK's largest 65 largest towns and cities – from 57th – to be among the top 5. Ultra-fast connectivity is currently unavailable in Colchester.

Welcoming – “Make Colchester confident about its own abilities”: in comparison with schemes deployed in a number of comparable towns in the UK, the fibre network has been deployed very rapidly and in an extremely cost-effective manner. It is an important signpost in the Council's positive messaging about its ability to implement pro-business and pro-investment, modernising projects.

7. Consultation

- 7.1 There has been extensive consultation with businesses in the Town Centre, to establish the demand for ultrafast connectivity. Furthermore, the operator tender has been widely

distributed among suitable network-operating companies that may be interested in bidding.

- 7.2 The decision on the appointment of the operator will be transmitted to the successful bidder in keeping with the usual processes to ensure fair and transparent treatment of all bidding parties.

8. Publicity Considerations

- 8.1 Once the operational/deployment phase is completed, the operator, in cooperation with the Council, will widely advertise the opportunity for gigabit connectivity to businesses in the Town Centre.
- 8.2 The decision is unlikely to be controversial, given that we have requested very specific technical and commercial elements from the potential operators. The range of possible operators is therefore already limited, and the smaller scale of the Colchester Town Centre deployment means that it will be of less commercial interest and viability to some of the larger network operators.

9. Financial Implications

- 9.1 The income derived from commercialisation of the network will contribute towards the Council's financial targets.

10. Equality, Diversity and Human Rights implications

- 10.1 An EIA has been completed for this project and is attached to this submission. No direct or indirect risks in this regard have been identified. The report is available [here](#).

11. Community Safety Implications

- 11.1 None immediately; however, over the longer-term, it is possible that the Council's existing CCTV network will be expanded and improved by being connected (migrated) to the fibre network being installed as part of this project.

12. Health and Safety Implications

- 12.1 No direct implications; the H&S requirements of major civil engineering works taking place in public places are covered adequately in the contractual arrangements in place with the contractors.

13. Risk Management Implications

- 13.2 State aid – the Council has taken comprehensive legal advice about State aid, but a challenge from BT (or other major telecoms operator) remains possible. We are confident that the contract and the associated open-book accounting and cost recovery mechanisms, mean that we are not subsidising a commercial project in violation of the current State aid framework.
- 13.3 Operator fails to perform: should the operator fail to meet targets for the numbers of customers signed-up (and correspondingly, the Council's income stream), the contract provides a clear mechanism for severing the commercial arrangement and novation to an alternative operator.

Appendices

A list of submitted bids with key KPIs will be provided at the meeting of the Revolving Investment Fund Committee.