



# Revolving Investment Fund Committee

Item

9

10 August 2016

Report of	Head of Commercial Services	Author	Howard Davies
Title	Purchase of properties at Osborne Street, Colchester		
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 27<sup>th</sup> 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.