

8 March 2016

Report of	Head of Commercial Services	Stephen Brown 01206 508822
Title	The acquisition of land and buildings known as Seven Saints Farm, Severalls Lane, Colchester	
Wards affected	Highwoods Ward	

**This report concerns the proposal to use RIF (Revolving Investment Fund) funds for the purchase of Seven Saints Farm in order to help meet the Council's medium to long term income targets.**

## 1. Decisions Required

- I. To approve the recommended proposal to purchase the land and buildings known as Seven Saints Farm as outlined in the confidential Part B of the agenda.
- II. To approve the reallocation of capital funding identified in the confidential section of this agenda from the RIF for spend on the acquisition.
- III. To note the options, financial assumptions and associated risks as set out in the confidential business case.
- IV. To give delegated authority to the Strategic Director for Commercial and Place in consultation with the Portfolio Holder for Business and Resources to conclude the legal documents following a process of due diligence.

## 2. Reasons for Decisions

- 2.1 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.
- 2.2 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 confidential report in Part B of the agenda.

## 3. Alternative Options

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

#### **4. Supporting Information**

- 4.1 The site consists of c. 33 acres of land, largely used for paddocks. Also on the site is a large 5 bed detached house built in the 1980's, 23 livery stables and an open barn. The entrance to the land is adjacent to the travellers site on Severalls Lane and runs along the length of the A12. Please see the attached plan.
- 4.2 The majority of the site is currently let out including the land and stables and parts of the house but vacant possession is being offered on completion.
- 4.3 The remaining information is contained within the confidential Part B of the agenda.

#### **5.0 The Proposal**

- 5.1 It is proposed to acquire the land and buildings for income generation purposes in the short term with the potential for additional income/capital opportunities in the longer term.
- 5.2 It is proposed that the Council would purchase the site using existing capital within the Revolving Investment Fund.

#### **6. Strategic Plan References**

- 6.1 This strategic purchase will provide the platform for future development opportunities.

#### **7. Consultation**

- 7.1 Any future plans for the site would in all likelihood require a planning application which will provide an opportunity for public consultation.

#### **8. Publicity Considerations**

- 8.1 There has already been some press interest in this site. There will be other opportunities for press releases in the longer term.

#### **9. Financial implications**

- 9.1 The financial implications and case for investment are addressed in detail in the Part B report and the confidential business case.

#### **10 Equality, Diversity and Human Rights, Community Safety and Health and Safety implications**

- 10.1 please see EQIA report here - <http://www.colchester.gov.uk/article/12743/Commercial-Services>

#### **11. Risk Management Implications**

- 11.1 The key identified risks are reported in the business case attached to the confidential Part B of the agenda.