

**REVOLVING
INVESTMENT FUND
COMMITTEE
23 February 2015**

Present:- Councillor Turrell (Chairman)

Councillors Feltham, Smith and T. Young

Councillor Havis was also present in her capacity as
Chairman of the Trading Board

Also in attendance: - Councillors Davies and Jarvis

7. Minutes

RESOLVED that the minutes of the meeting held on 27 November 2014 be confirmed as a correct record.

8. Wonderhouse Business Case Proposal

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

Councillor T. Young, Portfolio Holder for Community Safety, Licensing and Culture, and Councillor Turrell, Portfolio Holder for Economic Development and Regeneration, expressed their support for the Wonderhouse proposal. It was an exciting proposal which would benefit the whole borough. It would add to the visitor experience and also would provide a much better working environment for staff currently located in the Museum Resource Centre. In addition it would unlock a piece of Colchester history, as it would reveal a bastion and a stretch of Roman Wall that were currently hidden from public view.

In response to queries from members of the Committee Fiona Duhamel, Economic Growth Manager, stressed that it would be challenging to align all the potential funding streams. This may necessitate the continued occupation of the Museum Resource Centre for a period whilst it was under offer. In addition it would be possible to control the types of businesses able to occupy the commercial units through conditions in the leases for the units.

RESOLVED that:-

- (a) The proposals including high level building specification, costings, and delivery programme as identified in the confidential Business Case included in Part B of the agenda to create a new public facing facility which unlocks the potential of the Colchester Museums Collection as a new resource for creativity and learning be approved. This would provide for 6 ground floor retail/ workspace units, including the entrance to the Digital Collections Centre (total of 365m² GIA) and a first floor space for the new Digital Collections Centre (488m² GIA).
- (b) The recycling of the capital receipt from the sale of the current museum resource centre at Ryegate Road to provide match funding for the project be approved.
- (c) Bids be made to the relevant funding organisations as detailed in the funding strategy within the Business Case included in Part B of the agenda.

REASONS

The RIF was established to recycle capital receipts into projects that could deliver a number of Council objectives. The RIF can be used to support wider economic growth targets and deliver infrastructure supporting regeneration. This project directly supports these objectives by recognising the contribution that the outstanding heritage and heritage collections of the town make as a key element in its economic and cultural development. The creation of the Wonderhouse will give access to Colchester's unique and internationally significant collections in a new purpose built building adjacent to the town's Roman Wall, firstsite and the new Creative Business Centre in the St Botolph's regeneration area.

The project will also establish a new way of working for what has previously been a back office facility operating and fully funded by the Council as part of the Colchester and Ipswich Museum Service (CIMS). The development includes a number of income generating opportunities which collectively could be expanded to eventually reduce Council budget input and ensure the facility operates in a commercial way.

Funding is required to deliver the capital build and a number of potential external funding sources have been identified which will be pursued over the coming months. The capital receipt from the sale of the current Museum Resource Centre can be recycled through the RIF to provide the required match funding for the project.

ALTERNATIVE OPTIONS

The Council can consider a number of ways of using capital receipts, but it has established the RIF as a means of revolving funds for reinvestment to meet its objectives. The Committee needs to decide if the Wonderhouse proposal is the right opportunity for such investment, taking into account the ability to lever in external funding into the project.

9. Revolving Investment Fund – Financial Update

The Head of Commercial Services and the Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

Councillor Smith, Portfolio Holder for Business and Resources, introduced the report and highlighted that both capital and revenue streams were being transferred into the Revolving Investment Fund (RIF), which gave it considerable flexibility in the schemes it could fund.

Ian Vipond, Strategic Director, Commercial and Place, highlighted that the revenue income streams into the RIF should continue to grow and develop into a sustainable income stream as investments began to deliver returns.

RESOLVED that:-

- (a) To note the financial position in the Revolving Investment Fund (RIF).
- (b) The transfer of revenue funds into the RIF as set out at paragraph 4.4 of the report by the Head of Commercial Services and the Assistant Chief Executive be agreed. .
- (c) The remaining capital programme balances set out at paragraph 4.6 of the report by the Head of Commercial Services and the Assistant Chief Executive be transferred into the RIF.
- (d) The allocations of funding set out in summary at paragraph 4.7 of the report by the Head of Commercial Services and the Assistant Chief Executive be agreed.

REASONS

The RIF was established to recycle capital receipts into profitable high income producing assets. The report by the Head of Commercial Services and the Assistant Chief Executive 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 report by the Head of Commercial Services and the Assistant Chief Executive represent a considered view of the cost to deliver a number of projects and income budget targets.

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.

10. Minutes

RESOLVED that the not for publication extract from the minutes of the meeting held on 27 November 2014 be confirmed as a correct record.

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.

11. Wonderhouse Business Case

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.

12. Revolving Investment Fund – Financial Update: Appendices

RESOLVED that the appendices to the report by the Head of Commercial Services and the Assistant Chief Executive be noted.