

Revolving Investment Fund Committee

Wednesday, 29 March 2017

Attendees: Councillor Mark Cory, Councillor Annie Feltham, Councillor Paul Smith, Councillor Tim Young

Substitutes:

Cllr Scott attended in her capacity as Chairman of the Trading Board.

Also in attendance: Councillor Jarvis

Publication and Call in Arrangements

Date Published 30 March 2017

Date when decisions may be implemented (unless 'called in') 5pm 6 April 2017

NB All decisions except urgent decisions and those recommended to Council may be subject to the Call-in Procedure.

Requests for the scrutiny of relevant decisions by the Scrutiny Panel must be signed by at least ONE Councillor AND FOUR other Councillors to countersign the call-in form OR to indicate support by e-mail. All such requests must be delivered to the Proper Officer by no later than 5pm on 6 April 2017.

56 Minutes

RESOLVED that the minutes of the meeting held on 18 October 2016 be confirmed as a correct record.

57 Disposal of the Severalls Mixed Uses Site

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member. Patrick O'Sullivan, North Colchester Project Manager, attended and presented the report. It was proposed that the site be disposed of for the development of a mixed uses site. Part of the capital receipt would be used for the development of affordable housing, possibly on another site.

Members of the Committee welcomed the proposal which would generate a significant receipt for the Council as well as lead to the development of affordable housing. It was noted that the site was not yet in Council ownership, but the Committee received reassurance from officers that this did not prevent the Committee from taking decisions on the disposal of the site. The Committee commended the foresight of Council officers in recognising the potential value of the site and arranging for the transfer of site to the Council.

RESOLVED that:-

- (a) The Severalls Mixed Use Site be disposed of
- (b) The proposal to dispose of the site for the development for a mixed use retail and residential development as detailed in the report on Part B of the agenda be noted
- (c) It be noted that part of the capital receipt for this site is proposed to be earmarked for investment into affordable housing, with the remainder being allocated into the Revolving Investment Fund as detailed in the report on Part B of the agenda.
- (d) Authority for the negotiation of the Head of Terms and conclusion of legal documents be delegated to the Strategic Director, Commercial and Place.

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. The sale of the Severalls Mixed Use site will provide a capital receipt which can be then used to invest in other RIF projects.

ALTERNATIVE OPTIONS

The Council could redevelop the site itself and then either sell it or retain it as a long term asset. Development appraisals for various different types of development have been undertaken and while a profitable scheme could be produced the residual value of these is significantly less than the offers that have been received for the site.

58 Colchester Northern Gateway (North) Sport and Recreation Development - Professional Fees Approval

The Strategic Director, Commercial and Place, submitted a report a copy of which had been circulated to each Member. Lois Bowser, Project Manager, attended and presented the report. As the Northern Gateway project progressed towards the submission of planning applications it was necessary to engage a robust, multi-disciplinary team of specialists. It was proposed to do so through a consultancy framework, which would be quicker and provide better value than engaging consultants through separate procurement processes.

RESOLVED that:-

- (a) The Scape Consultancy Framework agreement be used to award a contract to Perfect Circle JV Ltd to lead the project management, with responsibility to appoint specialist sub-contractors from the framework in order to develop the feasibility assessments, cost reviews and planning application leading to procurement documentation for the Northern Gateway sports and recreation project.
- (b) The fee estimate provided by Gleeds for them to carry out the functions in decision (a) above and as detailed in the not for publication Appendix A to this report be noted.
- (c) Authority be delegated to the Strategic Director, Commercial and Place to agree the final fees quoted by Gleeds once the detailed feasibility and cost assessments are concluded.
- (d) To note that a further report on progress on the project including a contractor procurement strategy will be presented to a subsequent RIF Committee later in spring 2017.

REASONS

To enable officers to progress to the next stage of the project working with an experienced team of specialists in order to continue to develop a feasible scheme that is acceptable in planning terms and will lead to the procurement of a contractor.

To ensure that the Revolving Investment Fund Committee is aware of the costs of the fees incurred in relation to the next stage of the project and the controls in place through using the Framework Agreement.

To ensure that the Revolving Investment Fund Committee is aware of the progress to

bring about the development of a key and viable sports and recreation project within the Northern Gateway leisure destination.

ALTERNATIVE OPTIONS

To procure a team of specialists from one or more companies through separate procurement processes. This would be time consuming, more costly and would require careful co-ordination of a range of different experts in order to bring the project forward to a tight timescale and budget.

The appointment of individual firms of specialists as and when required for the task in hand. This would pose significant co-ordination problems with the risk that overarching issues may be inadvertently overlooked without the structure of a team-based approach, undermining the integrity of the project.

To appoint a team through a different Framework Agreement of which there is a wide variety but whose regional and local authority focus may not be as strong nor be able to accommodate some of the key consultants who have been involved with the project from its inception. This would result in the loss to the project of this accumulated experience, knowledge and continuity.

60 Minutes - Part B

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 item 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.

RESOLVED that the not for publication extract from the minutes of the meeting held on 18 October 2016 be confirmed as a correct record.

61 Disposal of the Severalls Mixed Uses Site - Part B

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 item 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.

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)).

62 Colchester Northern Gateway (North) Sport and Recreation Development - Professional Fees Approval - Part B

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