

# Revolving Investment Fund Committee Meeting

**Online Meeting, Virtual Meeting Platform  
Wednesday, 17 March 2021 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 (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published.

Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

### Have Your Say!

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Members of the public can register to speak at the meeting. Please register by e-mailing [democratic.services@colchester.gov.uk](mailto:democratic.services@colchester.gov.uk) no later than 12 noon on the working day before the meeting date. You will need to provide your name, email address, whether your representation is a general matter or related to an item of business and a copy of the representations you wish to make.

## **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, 17 March 2021 at 18:00**

**The Revolving Investment Fund Committee Members are:**

Councillor David King (Chair)  
Councillor Julie Young (Deputy Chair)  
Councillor Mark Cory  
Councillor Theresa Higgins

**The Revolving Investment Fund Committee Substitute Members are:**

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

**AGENDA**  
**THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING**  
**(Part A - open to the public)**

**Please note that Agenda items 1 to 6 are normally dealt with briefly.**

**Live Broadcast**

Please follow this link to watch the meeting live on YouTube:

[\(107\) ColchesterCBC - YouTube](#)

**1 Welcome and Announcements (Virtual Meetings)**

The Chairman will welcome members of the public and Councillors to the meeting and remind those participating to mute their microphones when not talking. The Chairman will invite all Councillors and Officers participating in the meeting to introduce themselves. The Chairman will, at regular intervals, ask Councillors to indicate if they wish to speak or ask a question and Councillors will be invited to speak in turn by the Chairman. A vote on each item of business will be taken by roll call of each Councillor and the outcome of each vote will be confirmed by the Democratic Services Officer.

**2 Substitutions**

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

**3 Urgent Items**

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

**4 Declarations of Interest**

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

**5 Minutes of Previous Meeting**

The Councillors will be invited to confirm that the minutes of the meeting held on 3 February 2021 are a correct record.

**RIF 0030221**

9 - 12

**6 Have Your Say! (Virtual Meetings)**

Members of the public may make representations to the meeting. Each representation may be no longer than three minutes (500 words). Members of the public may register their wish to address the meeting by registering online by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself.

**7 Colchester Town Deal**

13 - 20

The Committee will consider a further update to the report which was presented at the Cabinet meeting on 10th March 2021 on Colchester's Town Investment Plan (TIP) which forms part of the national Town Deal / Towns Fund programme.

**8 Update on Revolving Investment Fund (RIF) Projects**

21 - 26

The Committee will consider a report which provides a focussed update on some of the Revolving Investment Fund (RIF) funded schemes. It shows that continuing progress is being made in delivering the RIF programme since the last update.

**9 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)**





**REVOLVING  
INVESTMENT FUND  
COMMITTEE**

**3 February 2021**

*Present:-* Councillors Cory, King, Higgins, J. Young

**102. Minutes**

*RESOLVED* that the minutes of the meeting held on 4 November 2020 be confirmed as a correct record.

**103. Queen Street Grow On and Digital Working Hub Facility**

The Assistant Director, Place and Client Services. submitted a report a copy of which had been circulated to each Member. Matthew Brown, Economic Development Manager, presented the report to the Committee.

This report sought approval for development a Grow-on facility and Digital Working hub at the site of the former bus garage in Queen Street. It was explained that there were no other commercially viable uses for the site, which was constrained and contaminated. However, the site was considered viable for a Grow On centre to help new businesses develop. This was a growth sector that had proved resilient in the face of the pandemic. The viability of such a development had been robustly tested. The use would dovetail well with the nearby Business Incubation Centre and would provide facilities for businesses to move into once they had begun to grow and develop. There was an established long-standing need for this type of facility in Colchester and it would contribute significantly to the drive for economic recovery from the effects of the pandemic.

In order to fund the development, Colchester Borough Council had bid for £3.77 million from the South East Local Enterprise Partnership (SELEP) Local Growth Programme and it was anticipated the outcome of this would be known by 12 February 2021. Any funding would be dependent on planning permission and the planning application was scheduled to be considered by the Planning Committee on 4 March 2021. The proposals had been subject to public consultation, through a public webinar and survey, the results of which had been very positive.

The key benefits of the scheme were:-

- It would provide 698 square metres of high-quality working space;
- The design would complement the existing character of Queen Street;

- It would create 86 jobs, together with 8 jobs during the construction phase;
- It would redevelop a key site in the town centre and therefore contribute to the wider regeneration of the town centre;
- It contributed towards SELEP and Essex County Council business growth strategies;
- It was located in a sustainable travel location well served by public transport;
- It reflected trends towards working locally that had been accelerated by the pandemic;
- It provided a statement of intent of support for the priorities of local businesses.

In response to questions from the Committee, the breadth of the consultation was stressed. There had been a public webinar which had been well attended, followed by a survey, which generated over 20 responses. The design had been well received, and heritage organisations, such as Colchester Civic Society, had seen it as a very positive development. Ward councillors had also been involved. Consultation with statutory partners on the planning application was ongoing. The design had been refined to reflect comments from Historic England, although their final comments were still awaited.

The Committee welcomed the proposals and considered this was a very positive scheme which would make a very real contribution to the redevelopment of the area, should funding be secured. It reflected Council priorities on sustainability and economic growth. It would also support post Covid changes in working practices, with an emphasis on working locally and dividing time between home and office working. The need for the building to as sustainable as possible was emphasised. Whilst the final design of the scheme was still awaited, the flow of the scheme and the access to the Roman Wall were particularly welcomed. It was also suggested that the scheme should provide space for occasional uses such as craft markets .It was considered that there was a real opportunity for the scheme to create a social space through the use of the café and precinct, which could provide a real “buzz” within the area.

The Committee stressed the need for the final design to acknowledge and reflect the history of the site and its previous use as a theatre, and that consideration be given to displaying on site any Roman heritage that might be uncovered during construction. Once agreed the final plans should be shared widely.

Ian Vipond, Strategic Director Policy and Place, explained that this was a further good example of how the Council was seeking to encourage economic growth within the borough through its role as a facilitator, creating the conditions and resources to enable businesses to grow. The comments raised by the Committee about the proposals were welcomed and would be considered further as the plans were finalised.

*RESOLVED* that:-

- a) The principle that this scheme proceed be agreed subject to:
  - (i) successful planning application and
  - (ii) successful grant award of £3.77m from SE LEP Local Growth Fund.

- b) Authority for the signing of the final funding agreement with SE LEP (subject to above) before the commencement of project, be delegated to the Strategic Director; Policy and Place.
- c) Colchester Borough Council's ongoing commitment to the scheme be agreed, including the resource to manage and oversee the delivery phase of the scheme through to its final completion.
- d) The award of key contracts in due course be agreed; notably for the construction contracts, and the appointment of a managing operator;
- e) The provision of £900k match funding required at funding agreement through PWLB borrowing (as detailed in the not for publication appendix to the report) be agreed, which will be fully repaid through the income the scheme generates; for example, the rent and service charges to tenants;
- f) The revenue implications of the project including an unsupported budget pressure in the early years of operation where annual scheme costs initially exceed income (as detailed in the not for publication appendix to this report) be noted and agreed.

## *REASONS*

Approval of this programme meets a long-standing local and regional need to provide space for businesses to grow. This facility will substantially boost the capacity and capability for small businesses in the vital creative and digital sector to expand, bringing significant job creation to the town, partly through alleviating pressure on start-up or incubation space. Furthermore, the Digital Working Hub will (subject to Town Deal funding) help Colchester and in particular it's Town Centre, respond to opportunities and changes in the nature of town centres, people's working patterns, expectations brought to light during the Covid-19 crisis, and help the town centre diversity and bring new uses and footfall.

The proposal will also significantly boost the regeneration of this area and complement recent investments such as Firstsite, the 37 Queen Street Business Centre, and the Curzon cinema development, plus the potential new student accommodation and hotel development adjacent to this scheme. Together this latter scheme and the new grow-on facility will complement one another as the grow-on facility provides an attractive pedestrian route from Queen Street through to the student development behind, and an attractive setting for community and arts displays. It also enhances the historic interpretation, protection and access to an attractive part of the town's historic wall.

## *ALTERNATIVE OPTIONS*

The feasibility study and business case include an options appraisal. This identifies this use as a grow on facility (possibly combined with a digital working hub) as the only viable use of the site; as the constraints of the site limit the viability of other uses such as commercial or residential. A 'do nothing' option was included within the options appraisal but discounted as the risks currently posed by the vacant and disused building at site including squatting and fires will continue, putting adjacent 37 Queen Street and other

neighbouring businesses at risk, and incurring further costs.

The proposed scheme sees SE LEP Local Growth Fund as the funder of last resort as the scheme is unlikely to otherwise attract suitable investment from other sources; and cannot be funded within the Council's resources, particularly in the light of the current financial situation arising from Covid-19.

#### **104. Queen Street Grow On and Digital Working Hub Facility – Part B**

The Committee noted the contents of the not for publication appendix to the Assistant Director's report.



## Revolving Investment Fund Committee

Item  
**7**

17<sup>th</sup> March 2021

<b>Report of</b>	<b>Assistant Director Place and Client Services</b>	<b>Author</b>	<b>Matthew Brown</b> ☎ 507348
<b>Title</b>	<b>Colchester Town Deal</b>		
<b>Wards affected</b>	All wards affected		

### 1. Executive Summary

- 1.1 This report provides a further update to the report which was presented at the Cabinet meeting on 10<sup>th</sup> March 2021 on Colchester's Town Investment Plan (TIP) which forms part of the national Town Deal / Towns Fund programme. We are delighted to hear that Colchester has been awarded £18.2m within the Chancellor's recent budget statement.
- 1.2 This report brings an update on latest developments with the 'We are Colchester' programme and sets out next steps now that we have received confirmation that Colchester's bid to government has been successful.
- 1.3 Colchester is proud to welcome Town Deal investment which represents significant, transformational-scale capital investment to boost the local economy and stimulate the revitalisation of our town as we begin our recovery from the Covid-19 pandemic.
- 1.4 The main Town Deal award builds on investment Colchester has recently been awarded which include 'accelerated' £1m Town Deal funding. This has enabled two key public realm schemes at St Nicholas Square and Balcerne Gate to proceed. A further £3.77m SE LEP Local Growth Fund award will deliver much-needed high-quality employment space within our town centre, and wider investments are planned or in progress.
- 1.5 Development of the 'We are Colchester' (Town Deal) programme has enabled Colchester Borough Council to strengthen its relationships and joint working with key partners. These include Essex County Council, our Business Improvement District, The University of Essex, local businesses, the community & voluntary sector, and the public.
- 1.6 The £18.2m funding in this main-stage award will now enable the projects within the Town Investment Plan (TIP) to be developed further. This work will include significant engagement and consultation with residents and businesses, and preparation of business cases which will finalise and build on feasibility work already undertaken. The projects will then pass into final construction and delivery phase.

### 2. Recommended Decisions

- 2.1 It is recommended that Revolving Investment Fund:

- a) Notes the recent offer by Government of the £18.2m main-stage funding to the 'We are Colchester' (Town Deal) programme, which will now enable the further development and delivery of the specific projects which were submitted within our Town Investment Plan.

### **3. Reason for Recommended Decision**

- 3.1 Prompt acceptance and completion of our Heads of Terms Agreement with Government will enable Colchester Borough Council as the lead Local Authority to proceed to the delivery phase of the 'We are Colchester' programme quickly and effectively. Thereafter, delivery of this programme will greatly boost Colchester's opportunities to realise its economic development, place-making, inward investment, and regeneration ambitions now and on a long-term basis, through delivery of a specific programme of coherent, targeted interventions.

### **4. Alternative Options**

- 4.1 No alternative options have been presented to Revolving Investment Fund Committee. Town Deal is recognised as a once in a generation opportunity for Colchester, and there are no other current or anticipated sources of funding and investment of comparable size and scope. Some of the interventions proposed in the Town Investment Plan see Town Deal as the funder of last resort as they are unlikely to attract suitable investment from other sources; and cannot be funded within the council's resources, particularly in the light of the current financial situation arising from Covid-19.

### **5. Background Information**

- 5.1 As reported at the October 2020 Cabinet meeting, in responses to the Government's Town Deal Programme; see <https://www.gov.uk/government/publications/towns-fund-prospectus> Colchester as one of 101 English towns was invited to prepare and submit a Town Investment Plan (TIP) and bid for upto £25m. In response, Colchester Borough Council (CBC) with Essex County Council and others established a 'We are Colchester' (Town Deal) programme and board. The TIP for Colchester was submitted to Government on 29<sup>th</sup> October 2020. The TIP covers the wider urban area of Colchester; population 136,300.
- 5.2 The two public realm schemes at St Nicholas Square and Balkerne Gate funded under the 'accelerated' £1m MHCLG funding are now moving into delivery phase and final design. Public consultation on these projects is underway. There is strong support to these two schemes, which will act as a foretaste of what is to come in the wider public realm and public spaces work to follow in the main phase of the programme. The council will work with BID and other partners to ensure that the vision, and future uses of these spaces best fits with the town centre as a whole.

**Figure 1: St Nicholas Square**



5.3 A further report was presented at the Council's March 2021 Cabinet meeting which sets out the specific projects that were contained in Colchester's Town Investment Plan in more detail than was available previously. These are shown in full in the Cabinet report which should be read in conjunction with this report, so are not reproduced here.

5.4 The TIP has now been assessed and a formal announcement was made by Government as part of the budget speech on 3<sup>rd</sup> March 2021, where a second tranche of Towns including Colchester were announced; receiving formal offers of funding including £18.2m for Colchester. The key next steps and indicative timeline will be:

- Heads of Terms agreement: received from MHCLG 3<sup>rd</sup> March 2021.

- Sign Heads of Terms. Once offered, up to 3 weeks will be available to agree and sign Heads of Terms between Colchester Borough Council, Town Deal Board Chair & Ministry of Housing, Communities and Local Government (MHCLG): on or before 24<sup>th</sup> March 2021.
- Develop and confirm contractual terms with external delivery partners including Essex County Council: March-April 2021.
- Confirm intended projects with MHCLG: within 2 months of signing the Heads of Terms agreement, i.e., on or before 24<sup>th</sup> May 2021.
- After due consideration of the benefits and risks of fast-tracking projects, develop detailed business cases for agreed 'fast track' projects, including ongoing further engagement augmented by planning considerations: Summer 2021.
- Sign off fast track projects through jointly signed 'letters of approval' from Accountable Body and Town Deal Board: Summer 2021.
- Submit a project summary for fast-track projects, within 2 weeks of letters of approval, to MHCLG: Summer 2021.
- Drawing down funding to deliver these fast-track projects: Summer 2021.
- Complete the above detailed business case development process for all remaining agreed projects to an extended timetable from May 2021 to March 2022, then drawing down funding to move to delivery & implementation phase of remaining projects: 2022-2026.

5.5 Given that the final award at £18.2m is around £7m less than the original grant request to Government, the Town Deal board will review the list of projects and their financial parameters. Whilst the intention remains to deliver all projects in the programme, decisions will now need to be made regarding the viability of projects within reduced financial envelopes; without compromising their quality and outcomes. Opportunities will be sought to attract co-funding and match funding from other sources where possible.

### **Next steps: Heads of Terms Agreement**

- 5.5 The Leader and Chief Executive of the Council, the chair of the 'We are Colchester' board, and the programme lead from MHCLG will now, with the support and facilitation of officers including legal and finance, prepare and then sign the Heads of Terms Agreement. This document binds Colchester Borough Council as the accountable body in a legal agreement or contract with Government; to deliver the projects set out in the Town Investment Plan to a total value of £18.2m grant, plus wider funding contributions.
- 5.6 Projects that are suitable for being fast-tracked will be identified and confirmed at this stage. Where required, memorandums of understanding and/or formal contracts and service level agreements (SLAs) will be established with project partners. This is not required as a formal part of the Heads of Terms Agreement process, but will be required thereafter prior to commencement of work on business cases.
- 5.7 Engagement with partners and stakeholders will be undertaken; in particular, local residents and local ward members where the investments will be made. Engagement will commence shortly after the final list of projects is confirmed, and will form a key element of business case development and detailed planning of projects.



## **6. Equality, Diversity and Human Rights implications**

- 6.1 Consideration will be given to equality and diversity issues in respect of individual schemes, initiatives and projects that contribute to the delivery of the Town Investment Plan through the development of the specific business cases (projects and programmes).
- 6.2 Colchester Borough Council will require all partners preparing business cases for specific projects to prepare Equality Impact Assessments as part of developing and implementing specific project activities within the programme, and the Council will have due regard to its Public Sector Duty continuing to work to tackle discrimination and inequality and help to create a fairer society, improve housing choice and social mobility (including for protected groups).

## **7. Strategic Plan References**

- 7.1 The following Strategic Plan References are relevant to the Town Investment Plan:

### **Tackling climate change and leading sustainability:**

- Environment and sustainability embedded within all Council decision making and the adaptation and recovery from Covid-19.
- Air quality across Colchester is improved.
- Enable more opportunity for walking and cycling around Colchester.

### **Creating safe, health and active communities:**

- Build on community strengths and assets.
- Tackle the causes of inequality and support our most vulnerable people.
- Provide opportunities for young people.

### **Growing a fair economy so everyone benefits:**

- Enable Economic Recovery from Covid-19 ensuring all residents benefit from growth.
- Work with partners to deliver a shared vision for a vibrant town.
- Create an environment that attracts inward investment to Colchester and help businesses to flourish.

### **Celebrating our heritage and culture:**

- Strengthen Colchester's tourism sector and welcome more visitors each year.
- Protect, enhance, and celebrate Colchester's unique heritage.

## **8. Consultation**

- 8.1 The Town Investment Plan has been developed following full consultation with each of the Councils at both Member and officer level, with the board, and its advisory group. In parallel, a series of wider consultations took place. These included a physical assembly with over 100 attendees in March 2020, specific online surveys and focus groups, discussions with businesses, discussion with BID board, local authority and further and higher education representatives.

8.2 As specific initiatives and interventions are developed to Business Cases within the overall Town Investment Plan, further consultation will be undertaken for these projects as appropriate.

## **9. Publicity Considerations**

9.1 None specific to this report. The Town Deal programme is subject to a communications and engagement plan which includes publicity, branding, etc.

## **10. Financial implications**

- 10.1 The programme leverages substantial further funding and investment within the 5-year window of delivery, over twice the value of the grant and potentially much more. The individual town deal projects have been included within Colchester Borough Council's capital programme, which was approved at Cabinet January 2021 and which sets out a broader suite of homes, community facilities and town centre projects totalling £43m (inclusive, but broader than the £26m Town Deal funded projects).
- 10.2 To date, the costs of developing the Town Investment Plan, providing the secretariat function to the Town Deal Board, engagement/communications and wider associated work has been enabled primarily via £173k 'capacity funding' awarded by MHCLG to Colchester Borough Council at the point of commencing development of our Town Investment Plan.
- 10.3 Looking forward, the projects and programmes within the Town Deal programme will draw down appropriate and foreseeable development & design costs and professional fees as part of the individual project elements overall budget, thus they will not incur any additional and unplanned revenue budget pressures to the Council and partners.
- 10.4 Similarly, any further costs associated with providing overall programme management, the secretariat function to Town Deal Board, and ongoing engagement/communications to residents and businesses can legitimately be met from within the overall Town Deal award; again, incurring no further cost to Colchester Borough Council. A bid to Ministry of Housing, Communities and Local Government (MHCLG) for further capacity funding for the next phase of the project has been submitted and the outcome is awaited.
- 10.5 Taken as a whole, the Town Deal programme (i.e., across all projects) is required to achieve a split of not less than 90% capital and not more than 10% revenue; however professional fees can be treated as capitalised revenue (i.e., capital) for the purposes of the programme.
- 10.6 Up to 10% of the Town Deal funding may be used for revenue. The revenue allocations will be identified as projects progress to more detailed business cases. This will avoid any additional revenue pressures arising from the schemes.

## **11. Health, Wellbeing and Community Safety Implications**

- 11.1 There are no specific implications but generally the proposal aims to promote positive health and well-being for our residents, and this policy theme features prominently in several the programme interventions being developed. The 'We are Colchester' board, advisory group and groups preparing specific projects include representation from the Health Sector, 'One Colchester' Partnership, Colchester Borough Council's communities' team and a number of other bodies with responsibility and focus on health and wellbeing including links to the Sport England funded Local Delivery Pilot.

## **12. Health and Safety Implications**

- 12.1 There are no specific concerns at this stage of the development of the Town Investment Plan. Risk will be identified and assessed at individual project level and addressed at that stage.

## **13. Risk Management Implications**

- 13.1 No implications are identified at this stage. Risk will be assessed at individual project level and addressed at that stage.

## **14. Environmental and Sustainability Implications**

- 14.1 Environmental and sustainability considerations are considered of paramount importance and are a cross-cutting theme within the Town Investment Plan. As specific projects and interventions within this programme are developed, each will be considered in relation to the Climate Emergency Action Plan to ensure that the Council's climate change, environmental and sustainability ambitions and policies are actively addressed and promoted throughout the development of specific projects and programmes.

**Appendices:** None.

**Background Papers:** None.





## Revolving Investment Fund Committee

Item

8

17 March 2021

<b>Report of</b>	<b>Assistant Director Place &amp; Client Services</b>	<b>Author</b>	<b>Andrew Tyrrell</b>
<b>Title</b>	<b>Update on Revolving Investment Fund (RIF) Projects</b>		
<b>Wards affected</b>	All wards		

### 1. Executive Summary

- 1.1 This report provides a focussed update on some of the Revolving Investment Fund (RIF) funded schemes. It shows that continuing progress is being made in delivering the RIF programme since the last update.

### 2. Recommended Decision

- 2.1 To note the contents of this report and the progress made to date.

### 3. Reason for Recommended Decision

- 3.1 To monitor this important element of the Council's capital programme.

### 4. Alternative Options

- 4.1 Not applicable.

## **5. Background Information**

5.1 The RIF was set up to recycle capital receipts into high performing investments for the Council in order to produce income. Updates on the current projects are set out below:

### **5.2 Northern Gateway Sports Park**

5.2.1 The £28.8m Colchester Northern Gateway Sports Park project completed construction on site on 30 November and has been handed over to the Council. This facility is ready to open as soon as safely possible to do so under national lockdown rules. The opening is currently expected to be on 26 April subject to the expected timelines announced by the Government.

5.2.2 The Section 278 (highway improvement) works for walking, cycling and equestrian routes have been largely completed, and are working to agreed timetables with both ECC Highways and Highways England. Severalls lane and Boxted Road have new walking, cycling paths connecting the Sports Park to the wider network. Equestrian links are also in place. The new and improved routes will be added on cycle mapping along with others being delivered more widely around the Northern Gateway in future so that these are clear for users. The Council is also actively exploring better wayfinding signage around the whole town, but will specifically look at linking up to and through the Northern Gateway to/from the orbital route and to the town centre.

5.2.3 Finally, regarding signalisation and lighting at Junction 28 of the A12, whilst the crossing points are in place; the signalisation is yet to become operational although that is as per the original agreed timetables. The works were/are set to complete in a second window for highway works that was provided to the Council last year; and will be completed during April 2021 with cooperation from Highways England and Essex County Council. Under the planning approval, these works were to be completed within 12 months of opening the Sports Park.

### **5.3 Northern Gateway South**

5.3.1 A hybrid planning application (meaning part “outline” and part “detailed”) has been submitted for the land south of Axial Way, comprising of a mixed-use development with 350 homes, a health campus, 45,100m<sup>2</sup> commercial floorspace and a village green open space. Prolonged highway negotiations have now reached agreed traffic modelling and road work solutions to improve flows nearby the site post-development. A sustainable transport strategy update is the last piece of this travel-related jigsaw, and that has been worked on by our consultant Systra. The updated Sustainable Transport Strategy sets out a comprehensive set of measures that encourage travel by alternative methods to private car journeys; including elements such as travel clubs, cycle links, secure cycle parking, and ways to maximise use of public transport by future residents and businesses who come to the site. The planning application should be taken to a Planning Committee meeting very soon.

5.3.2 Two elements of the application were previously separated out into their own planning application, and advanced earlier. These were the Northern Gateway Heat Network’s Energy Centre, as well as “The Walk”. The Energy Centre construction phase is currently being held to align with other elements of the overall scheme but design work is ready for a construction tender exercise.

5.3.3 The Walk is a tree-lined boulevard that provides car-free walking and cycling access routes across the Northern Gateway south side, linking Mill Road (and the existing communities) through to the Turnstone leisure complex, Sports Park and Community

Stadium. Work started on this development in July 2020 and Phase 1 completed in November 2021, as planned. Phase 2 will commence in April, as Colchester Rugby Club complete their move from Mill Road to the new Sports Park, allowing the southern end of The Walk to be completed this year.

- 5.3.4 The Walk contract also includes parts of the underground infrastructure works for some additional projects to be installed at the same time. This includes the Heat Network pipes, cables for the ongoing LFFN Ultrafast Broadband project, CCTV infrastructure, and future utility supplied to the housing, health and commercial developments.
- 5.3.5 The Turnstone development was considered at the Cabinet meeting last week, 10 March (so not repeated herein).

#### 5.4 Digital Strategy

- 5.4.1 The £3.3m DCMS-funded digital deployment of ultrafast broadband is progressing across various areas. The Local Full Fibre Network (LFFN) programme is now well underway since it started in July 2020. It is due for completion by the end of June 2020.
- 5.4.2 The deployment of the “Metronet”, core broadband network around urban Colchester, is now enabling follow-on investment from the private sector (£10m initial investment secured) to improve connectivity across a wider area covering the whole of Colchester. Over 95km of broadband links to London was completed prior to the groundworks around Colchester.
- 5.4.3 Work is also nearing the completion stages on fully replacing Colchester’s existing CCTV system with a brand new, digital system to improve community safety and wellbeing. The new digital system has already benefitted a number of businesses and the improve picture quality and coverage has assisted in multiple arrests as it has become operational across town. The ongoing roll out will allow for expansion of the system to new areas, will significantly reduce high operational costs on maintenance and repair, and provide better storage of footage for use by the police when requested.

#### 5.5 Town Centre

- 5.5.1 The “Grow On Space” project was awarded £3.77m of “Local Growth Fund” by the South East Local Economic Partnership (SELEP), plus £900k match funding from Colchester Borough Council. The scheme generates 86 new and accommodated jobs and 10-15 new businesses. The project will provide a new building in Queen Street (replacing the Old Bus Depot) for creative and digital businesses looking to “scale up”, and potential Digital Hub alongside ground floor café-bar provision. The scheme has now been through a successful consultation and engagement period, evolved through design stage, and gained planning permission this month. Demolition and archaeological works will be tendered for shortly while architects develop detailed design work for the scheme to enter construction phases. It is envisaged full construction will begin in the summer with completion a year later. As detailed technical design work is still taking place more accurate timescales are not yet available.
- 5.5.2 The work on St Nicholas Square is progressing well too. The scheme brings immediate and direct benefits to neighbouring businesses as they adapt to create safe and appealing environments for their customers in the context of the Covid-19 ‘new normal’. This space forms a key cultural gateway in the east of the Town Centre, adjacent to the main shopping area and close to the Castle and other key cultural attractions. The businesses on three sides of this square have recently committed to significant

investment to their buildings bringing inward investment from the project totalling over £7m and showing the confidence the Council is helping to inspire.

- 5.5.3 With the advance payment from the Town Deal providing funding assurance, a St Nicholas Square working group was formed, concept designs evolved, and public consultation and engagement has been taking place. A planning application for works on and around the graveyard area has been submitted. The architects are finalising the detailed designs and materials prior to going out to tender. Acquisition of the graveyard land has nearly concluded with the Diocese of Chelmsford and work is ongoing with ECC Highways and North Essex Parking Partnership (NEPP) on the Section 278 Legal Agreement and Traffic Regulation Orders. Work should start on site in April with completion due late summer.
- 5.5.4 Similarly, the Balcerne Gate public realm is also funded through the advanced Town Deal monies of £1m (for this and the scheme immediately above. Adjacent to The Mercury Theatre, and “Jumbo”, these public realm improvements are also ongoing and will shortly develop further improvements in this area. The contract is currently being negotiated with Phelan Construction Ltd and works should start within the next month. The project should complete in the summer so this new public realm has an immediate impact on our town; driving local economic recovery in the light of Covid-19; including supporting our retail and hospitality sector, supporting the creative and cultural sector, and helping to protect other town centre jobs. It will help continue to secure the 100 jobs based at the Mercury Theatre, plus a further 53 jobs in the wider economy; in addition to several short-term construction jobs directly involved in the delivery of the site works.
- 5.5.5 This follows on from The Mercury Rising project, now in its final stages; where Phelan Construction are now concluding after delays caused by working within the applicable Covid-19 safety measures that have reduced the number of operatives on site. Final fire-related measures are being installed and the production block and workspace areas are now complete. The Mercury staff have started to move into their new spaces and operate from the premises ahead of re-opening to the public. Practical Completion is scheduled for mid-April
- 5.5.6 Vineyard Gate was considered at the Cabinet meeting last week, 10 March (so not repeated herein).

## 5.6 Microgrid

- 5.6.1 A second stage feasibility study has just been completed on a potential microgrid. This has concluded that it would be possible for the Council to build a new solar photovoltaic farm and future microgrid. A full business case is now being prepared and a precise proposal will be presented in June for a decision to proceed, including potential site location, financial information, and operating model.

## **6. Equality, Diversity and Human Rights implications**

- 6.1 All RIF projects are subject to Council policy on Equality and Diversity and legislation, policy and good practice is considered in emerging project plans. As examples (but not exhaustive):
- The Northern Gateway Sports Park development has been designed to promote access for all, inclusive use and accessibility to all groups.
  - Ultrafast broadband services are being deployed to more deprived wards where there is a market failure to provide this level of service to those areas, and the areas would otherwise not receive such services for the foreseeable future.



## **7. Standard References**

- 7.1 There are no particular references to the Strategic Plan; consultation or publicity considerations or financial; community safety; health and safety or risk management implications.

## **7. Strategic Plan References**

- 7.1 The vision, themes and objectives of the [Strategic Plan 2020-23](#) are embedded in the RIF projects. All projects outlined contribute directly to the Council's Strategic Plan 2020-23 priority of 'Growing a better economy so everyone benefits' contributing to the ability, as outlined in the plan, to 'Enable Economic Recovery from Covid-19 ensuring all residents benefit from growth'.
- 7.2 This is specifically detailed in the in the goal to 'Transform the Northern Gateway as a hub for improved wellbeing, physical activity, jobs, housing and renewable energy', 'address the inequality of access to Gigabit Broadband in communities' through the Digital Strategy. In addition, the projects are a major contribution to the Council's Covid-19 recovery plan providing jobs through construction and enabling economic recovery.
- 7.3 The Northern Gateway is specifically identified as a theme in the Council's Strategic Plan 2020-2023 under the priority 'Develop the Northern Gateway as a sustainable place for people to live, work and visit'. This also underpins to the Council's strategic priority to create new communities and adopt a Local Plan that delivers jobs, homes and the infrastructure to meet the borough's future needs'.
- 7.4 This update illustrates the contribution these projects make to the Strategic Plan priority: 'Create an environment that attracts inward investment to Colchester and help businesses to flourish' and to 'Ensure a good supply of employment land and premises to attract new businesses and allow existing firms to expand and thrive'. The projects also contribute to the Strategic Plan priority of 'Creating safe, healthy and active communities' (also see Section 11 below).

## **8. Consultation**

- 8.1 There are no particular consultation considerations necessary for this report. However, consultation (both statutory and non-statutory) is a major element of the individual project plans.

## **9. Publicity Considerations**

- 9.1 There are no particular publicity considerations necessary for this report. However, each project has a communications and marketing plan, including targeted publicity and marketing to attract investment.

## **10. Financial implications**

- 10.1 An update on the financial position of the RIF schemes is included on the Capital Expenditure Monitor Quarter 3 report which was presented to Cabinet on 10 March 2021.

## **11. Health, Wellbeing and Community Safety Implications**

- 11.1 The development of the Sports Park and The Walk, CCTV and town centre public realm works all show examples of how RIF projects contributes directly to the Strategic Plan priority of 'Creating safe, healthy and active communities' and facilitates health and well-

being of borough residents in general. The provision of a major new sports facility for the borough with a diverse offer and access for all enables increased access to healthy lifestyles and inclusion in sports and leisure activities, is a particularly good example.

- 11.2 The Digital Strategy work includes the work to replace Colchester's existing CCTV system will improve community safety and wellbeing, enabling enhanced monitoring and improving public safety.

## **12. Health and Safety Implications**

- 12.1 The report poses no specific health and safety issues; all health and safety implications on each capital project are managed through mechanisms appropriate to their individual circumstances.

## **13. Risk Management Implications**

- 13.1 There are no specific risks related to this report; however, all capital projects have an individual risk register to manage issues.

## **14. Environmental and Sustainability Implications**

- 14.1 The Council has declared a Climate Emergency and has committed to being carbon neutral by 2030. The RIF includes several projects that will help promote sustainable travel and renewable energy that will contribute towards the achievement of sustainable development as defined in the National Planning Policy Framework.
- 14.2 Achieving sustainable development means meeting three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways. These are economic, social and environmental objectives. Projects such as the Northern gateway Heat Network, the largest of its type in the UK, are pioneering examples of how this priority is being met. The Walk's emphasis on sustainable and active travel are another example of promoting sustainable transport and reducing carbon by encouraging the avoidance of car use.