

**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 its 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.