

# CABINET

## 17 MARCH 2014

*Present :-* Councillor Anne Turrell (the Leader of the Council)  
(Chairman)  
Councillors Nick Barlow, Tina Bourne, Annie Feltham,  
Beverley Oxford, Paul Smith and Tim Young

*Also in Attendance :-* Councillor Mary Blandon  
Councillor Julia Havis  
Councillor Brian Jarvis  
Councillor Gerard Oxford  
Councillor Will Quince

### **94. Have Your Say!**

The Mayor of Colchester, Councillor Colin Sykes, attended and, with the consent of the Chairman, addressed the Cabinet. He explained that the Mayoress and he had recently met two students from Thomas Lord Audley School who were concerned about how teenagers were perceived in Colchester and nationally. As a consequence the Mayoress had suggested that he host a debate between two teams from the school in the Council Chamber. This had been held on 4 March. The debate had been structured like a meeting of Council with a motion and amendment tabled and subject to the Council's rules of debate. The motion agreed during the debate called on the Council to fund a bi-annual magazine which would highlight positive stories about teenagers in Colchester. He asked Cabinet how it planned to deal with motion that had been agreed.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, indicated that she had discussed the matter with the Cabinet. The e-Courier could be used to carry positive stories about teenagers and it had been suggested that the students could discuss with the Council's Communications team how to get their message across. The issue could also be taken up with the Youth Council who could discuss how to take the matter forward. Councillor Feltham, Portfolio Holder for Communities and Leisure Services, indicated she would raise the matter with the Colchester Youth Strategy Group.

### **95. Colchester Half Marathon**

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, expressed the Cabinet's thanks to Matthew Eaton for his work in organising the Colchester Half Marathon.

### **96. Vineyard Gate – Approval of revised Draft Heads of Terms**

The Head of Commercial Services submitted a report a copy of which had been

circulated to each Member.

Councillor Jarvis attended and, with the consent of the Chairman, addressed the Cabinet to stress how pleased he was that the project had reached this stage. It would be a tremendous boost to the town centre and to Colchester generally. However, he sought reassurance that developers would see the project through and stressed the need to progress quickly. Any delay or uncertainty around the project would have an adverse impact on town centre businesses.

Councillor Quince attended and with the consent of the Chairman, addressed the Cabinet. He welcomed the jobs and investment that the project would bring. However, there were clear risks to the project, such as the failure to obtain planning permission, the impact of another period of economic uncertainty or the risk that the Council could obtain acquire sites in anticipation of the development and then be left with them if the scheme then proved unviable. He asked what alternative plans the Council had in place should these risks be realised.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, stressed that she had every confidence in the developers to see the project through. Issues around the mitigation of risks would be addressed in the discussion under Part B of the agenda.

Councillor G. Oxford, attended and with the consent of the Chairman, addressed the Cabinet to ask about the provision of lifts in the development. It was confirmed that there would be three new lifts and every level of the development would be fully accessible.

Cabinet received a presentation from Johnny Caddick, Caddick Developments, Paul Appleton, Allies and Morrison Architects and Martyn Chase, Stanhope plc. The presentation highlighted the main aspects of the scheme and the timetable for the project. It also explained how the scheme would be integrated into the town centre, rather than just being a "bolt on". It would reflect the historical content of the town centre and remake a number of historical routes in the town. The multi-level design would reflect the change of levels in the town centre. The character of the development would be of a town centre shopping centre rather than on out of town development. The importance of the support of the Council in bringing forward the scheme was stressed

Councillor Barlow, Portfolio Holder for Regeneration expressed the Cabinet's thanks for the presentation and commended the scheme to Cabinet. It would bring investment and jobs to Colchester and was high quality in architectural terms. It was to the credit of the Regeneration Team and the Senior Management Team that the scheme had been brought forward despite the difficult economic climate.

Councillor Smith, Portfolio Holder for Business and Resources, Councillor T. Young, Portfolio for Planning, Community Safety and Culture, Councillor B. Oxford, Portfolio Holder for Customers, Councillor Bourne, Portfolio Holder for Housing and Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy all expressed their support for the proposals and in discussion the following points were made:-

- The development had been able to reach this stage because of the Council's vision and can do attitude.
- The scheme would generate approximately 750 jobs in the retail sector, which a recent study had shown was the sector with the most demand for employment opportunities.
- The developers had the necessary experience and expertise to deliver the scheme.
- The scheme would provide a good mix of retail opportunities from a large anchor store to small independent retailers. It would complement rather than compete with existing town centre retailers.
- Whilst there were risks involved in the scheme, these would be mitigated as far as possible.

*RESOLVED* that:-

(a) The draft Heads of Terms detailed in the report by the Head of Commercial Services in Part B of the agenda be approved and to form the basis of the Development Agreement

(b) It be agreed that the Council will invest into the scheme in order to improve viability and allow the development to move forward, in return for a commercial income stream.

(c) The commercial advice from the Council's valuers, Lambert Smith Hampton (LSH), that the drafts Heads of Terms currently represent the best consideration to the Council, subject to an assessment of the latest development appraisal and taking into account current market conditions, be accepted.

(d) Authority be delegated to the Executive Director, Ian Vipond, in consultation with the Portfolio Holder for Regeneration, to conclude the Heads of Terms substantially in accordance with the approved draft to enable legal negotiations on the Development Agreement and associated documents to be progressed. It is anticipated that the final draft of the legal agreements will be brought back to Cabinet for approval.

## *REASONS*

This is a major town centre regeneration scheme which will transform the run down part of St Botolphs and provide 750 new jobs to the borough. It will also deliver wider social and economic benefits as part of the Better Town Centre Improvements Programme and as identified in the King Sturge Retail Study 2011.

The revised Heads of Terms, whilst largely similar to those agreed at Cabinet in January 2012, do include revised financial terms including the need for direct investment by the Council which reflects the difficult economic conditions currently being experienced.

The draft Heads of Terms, once finalised, will form the basis of the Development Agreement which will be the legal contract between the Council and Vineyard Gate Developments Ltd. to build the scheme.

Approval of the Heads of Terms will enable each party to instruct legal representatives to commence the negotiations in respect of the Development Agreement and upon completion of the development agreement, work will commence on the planning application and other key tasks required to move forward the scheme such as the Compulsory Purchase Order.

### *ALTERNATIVE OPTIONS*

The Council could refuse to accept that the revised Heads of Terms offer the Council the best possible consideration for its landholding or agree that they fail to realise the Council's aspirations in respect of this site in order to meet the gaps identified in retail provision.

The Council could conclude that it does not wish to invest into the scheme and will continue to search for other funding partners. However this will delay the scheme further and potentially lose the strong interest currently being shown by the anchor tenants

The Council could seek to renegotiate terms with the developer and or carry out a further review of the proposed scheme or accept that a shopping centre scheme will not be delivered on this site in the near future. It is recognised that a new shopping centre in the town will contribute significantly to future retail growth, higher expenditure and stronger economic growth.

The Council's agent, LSH has confirmed in a report included in Part B of the agenda for this meeting, that in their professional opinion, the financial terms proposed by Vineyard Gate Developments do represent the best consideration for the Council's landholding in the current economic conditions and although the scheme is smaller the developer will still be compelled to deliver a high quality shopping centre, which will seek to attract the type of retailers Colchester needs to ensure future retail growth and vitality.

## **97. Northern Gateway, Health and Racquets Club – Approval of Draft Heads of Terms**

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

Councillor Barlow, Portfolio Holder for Regeneration, introduced the proposals, which would bring further investment and jobs to Colchester and provide new facilities for residents. It would also generate an income stream for the Council which would help ensure the continued delivery of Council services.

Councillor Smith, Portfolio Holder for Business and Resources, Councillor Feltham, Portfolio Holder for Communities and Leisure Services and Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, all expressed their support for the proposals. The importance of the Council's vision in securing inward investment was emphasised as was the Council's success in providing a mixed

economy in the provision of leisure facilities.

*RESOLVED* that:-

- (a) The report on Part B of the agenda providing details of the Draft Heads of Terms and the commercial advice from the Council's valuers, Lambert Smith Hampton, that the draft Heads of Terms currently represent the best consideration to the Council, taking into account current market conditions, be noted.
- (b) The draft Heads of Terms which will form the basis of the Lease with David Lloyd Leisure Limited (DLLL) be approved.
- (c) Authority be delegated to the Executive Director, Ian Vipond, in consultation with the Portfolio Holder for Regeneration to conclude the Heads of Terms substantially in accordance with the approved draft and complete negotiations on a Lease and associated documents.

### *REASONS*

Further to the ongoing development of land at Northern Gateway in accordance with the Vision to create a sports and leisure destination, the Council now seeks to bring forward the next phase of delivery of this project.

DLLL has expressed interest in locating a centre in Colchester for some time. Over the last 2 years negotiations have taken place between DLL and the Council with a view to them building a new racquet and sports facility at the Northern Gateway

The land transaction will bring an important annual income stream to the Council

### *ALTERNATIVE OPTIONS*

Not to allow DLL to locate their Health and Racquets Club in the Borough, thereby foregoing the opportunity to create 55 jobs within the Borough.

The Council could refuse to accept that the proposed Heads of Terms offer the Council the best possible consideration for this site, or conclude that they fail to realise the Council's aspirations in respect of the Vision for this area.

The Council could seek to renegotiate terms with the prospective Leaseholder, or decide that the contribution to the Council's revenue budget is not sufficiently desirable.

The Council's agent, Lambert Smith Hampton has confirmed in a report included in Part B of the agenda, that in their professional opinion, the financial terms proposed by DLL do represent the best consideration for the Council's asset, in current economic conditions

**The Cabinet/Panel resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information)**

**(England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.**

**98. Vineyard Gate – Approval of revised Draft Heads of Terms**

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)).

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