

CABINET

26 JANUARY 2011

Present :- Councillor Anne Turrell (the Leader of the Council)
(Chairman)
Councillors Nick Barlow, Lyn Barton, Tina Dopson,
Martin Hunt (Deputy Leader) , Beverley Oxford,
Paul Smith and Tim Young

Also in Attendance :- Councillor Pauline Hazell
Councillor Theresa Higgins
Councillor Jon Manning
Councillor Colin Sykes
Councillor Laura Sykes
Councillor Dennis Willetts

51. Minutes

The minutes of the meeting held on 1 December 2010 were confirmed as a correct record.

52. 2011-12 Revenue Budget and Medium Term Financial Forecast

The Head of Resource Management submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix A to these minutes in the Minute Book together with the minute of the Finance and Audit Scrutiny Panel's consideration of this item on 25 January 2011.

Tim Oxtan addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He invited the administration at either this meeting or at full Council on 16 February 2011 to make a public declaration that it deplored the cuts made by central government. He also asked the Cabinet to confirm the exact numbers of members of staff it expected would be made redundant by March 2012.

Andy Abbott addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He drew comparisons between the political situation now and with those in 1945 and in the 1970s. He believed that the policies of neo-liberalism that had been followed for the last thirty years had failed and a different approach was now required. He stressed that the purpose of government was to benefit all of society, not just those at the top.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy and Performance, indicated that written responses would be sent to Mr. Oxtan and Mr. Abbott.

Councillor Manning attended and, with the consent of the Chairman, addressed the Cabinet in his capacity as the Liberal Democrat spokesman on the Finance and Audit Scrutiny Panel to thank officers for their work in helping deliver a fair and balanced

budget that protected frontline services. Many staff had made personal sacrifices in order to minimise redundancies. The administration's policy of keeping services in house was the right way forward as the Council's dedicated staff were the lifeblood of the organisation.

Councillor Turrell, Portfolio Holder for Performance and Strategy, endorsed Councillor Manning's comments.

Councillor Willetts attended and, with the consent of the Chairman, addressed the Cabinet in his capacity as the Deputy Leader of the Conservative Group. He indicated that the Conservative Group supported about 80% of the budget. However, he believed that the Medium Term Financial Forecast was essentially the same as the budget presented by the Conservative group in February 2010. For example, the freezing of Council tax, shared services and efficiency savings of £1 million were all contained in the Conservatives budget amendment. The proposals for Tymperleys to be put into a trust or community venture were noted and it was hoped that this was the start of a policy of the Council moving towards being a commissioning authority, rather than a direct service deliverer. The same principles should be applied to the Cemetery and Crematorium and Leisure World.

Councillor Smith, Portfolio Holder for Resources and Diversity, responded to indicate that there were clear differences between the approach in the 2011/12 budget and those proposed by the Conservatives in 2010. The need to reduce expenditure was accepted, but this had been addressed without dramatic cuts to services. Wherever possible, income had been increased and shared services investigated. The Fundamental Service Review programme had improved the efficiency of services whilst protecting frontline service delivery. The grant-damping imposed by central government had cost the Council £1.3 million and it was not accepted that this had been redistributed to Councils in greater need. The administration had worked hard to produce a budget that protected Council services and was good for the people of Colchester. In response to Mr. Oxton's comments, Councillor Smith indicated that whilst it was difficult to give precise figures, between 20-30 posts would be lost. It was hoped that some of these would be lost by natural wastage.

Councillor T. Young, Portfolio Holder for Housing and Community Safety, indicated that he deplored the cuts imposed by central government. The administration disagreed fundamentally with the approach of the Conservative group. The budget protected frontline services.

Councillor Barlow, Portfolio Holder for Economic Development, Culture and Tourism, thanked the Council's business partners for their helpful comments at the consultation meeting on 20 January 2011.

Councillor Hunt, Portfolio Holder for Street and Waste Services, stressed that the administration had no intention of privatising the cemetery and crematorium.

Councillor Dopson, Portfolio Holder for Communities, stressed that the Council had been engaging with communities to minimise the impact on vulnerable groups. The settlement from central government had been harsh, in particular the "in year" cuts that

had been imposed. The process of setting a budget had not been easy and the administration had been well supported by officers.

RESOLVED that:-

(a) The forecast outturn for the current financial year of an overspend of less than £200,000 be noted (see paragraph 3.4 of the Head of Resource Management's report);

(b) The cost pressures, savings and increased income options identified during the budget forecast process as set out at Appendices B and C of the Head of Resource Management's report be approved.

(c) It be agreed and *RECOMMENDED* to Council that the 2011/12 Revenue Budget requirement be set at £20,255,000 (paragraph 6.1 of the of the Head of Resource Management's report) and the underlying detailed budgets be as set out in the Background Papers to the Head of Resource Management's report.

(d) Revenue Balances for the financial year 2011/12 be set at a minimum of £1,500,000.

(e) The following releases be agreed (paragraph 10.7 of the Head of Resource Management's report):-

- £300,000 from the Capital Expenditure Reserve in 2011/12 to meet costs including the community stadium.
- £596,000 to be financed from the Renewals and Repairs Fund for specific projects.
- £70,000 from the section 106 monitoring reserve.

(f) Provision be created for future pension deficit costs as set out at paragraphs 10.5 and 10.6 of the Head of Resource Management's report.

(g) It be agreed and *RECOMMENDED* to Council that £100,000 of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 11.3 of the Head of Resource Management's report.

(h) It be agreed and *RECOMMENDED* to Council that up to £600,000 of Revenue Balances be earmarked for the potential cost associated with delivering budget savings as set out at paragraph 9.6 of the Head of Resource Management's report

(i) It be agreed and *RECOMMENDED* to Council that Colchester's element of the Council Tax for 2011/12 be set at £175.23 for Band D properties which is a nil increase (paragraph 12.2 of the Head of Resource Management's report).

(j) It be noted that the formal resolution from Cabinet to Council will include the Parish, Police, Fire and County Council elements and any change arising from the formal Revenue Support Grant Settlement announcement in early February. This will be prepared in consultation with the Leader of the Council.

(k) The Medium Term Financial Forecast for the financial years 2011/12 to 2014/15 be

noted.

(l) The comments made on the robustness of budget estimates at section 15 of the Head of Resource Management's report be noted.

(m) The Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy be agreed and *RECOMMENDED* to Council (paragraph 16.7 of the Head of Resource Management's report).

REASONS

The reasons for the decisions were set out in detail in the Head of Financial Services' report.

ALTERNATIVE OPTIONS

Various options were investigated at every stage of the budget setting process, due consideration of which was taken in order to meet the objectives of the Council's Strategic Plan.

53. Housing Investment Programme 2011-12

The Head of Strategic Policy and Regeneration submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix B to these minutes in the Minute Book.

RESOLVED that:-

(a) The allocation of new resources totalling £4.856 million to the housing investment programme for 2011/12 be approved.

(b) The Medium Term Financial Forecast for Capital (MTFFC) as set out at Appendix A of the Head of Strategic Policy and Regeneration's report be noted.

REASONS

(a) Each year as part of the process to agree the Council's revenue and capital estimates the Cabinet is required to agree the allocations to the Housing Stock Investment Programme. These allow for work to be done to maintain, improve, and refurbish the housing stock and its environment.

(b) Following a full OJEU procurement exercise two contractors were appointed by the Council to deliver the Capital Improvements Programme which is designed to include statistical decency by 31st December 2012. The contracts are commissioned for four years with the potential to continue for a further two years by one year extensions depending upon performance. Additionally, a further contract was let designed to meet the Council's obligations to convert the current analogue signals provided through communal aerial systems into digital in time for the switchover date in 2011. At the time

of the Cabinet meeting the digital conversion contract will be drawing to an end.

(c) The Board of Colchester Borough Homes has not yet met to discuss and agree a 2011/12 Capital investment plan for submission to the Council for approval and funding. As such this report broadly seeks the release of funds under the same headings as described in the Deed of Variation but with approval and funding to support the continuation of the Capital Improvement Programme, the Adaptations Programme as the major allocations.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

54. Half Yearly Performance Report Including Progress on Strategic Plan Action Plan

The Head of Corporate Management submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix C to these minutes in the Minute Book.

Councillor Turrell, Portfolio Holder for Strategy and Performance, indicated that the performance indicators and report on the Strategic Plan Action Plan demonstrated that the Council was performing well. Almost three quarters of the actions in the Strategic Plan Action Plan were progressing well and where these were not on target this was due to cuts in funding. Councillor Turrell also highlighted the considerable number of awards won by the Council in the reporting period.

RESOLVED that:-

(a) The combined performance update, as at Appendix 1 of the Head of Corporate Management's report, for the period up to the end of September 2010 in relation to the Organisational performance measures and progress of the Strategic Plan Action Plan (SPAP) as at Appendix 2 of the Head of Corporate Management's report, be noted.

(b) The changes for the remainder of 2010/11 now that central government has revoked the Comprehensive Area Assessment, some National Indicators, requirement for Local Area Agreement, and announced its intention to introduce a "single, comprehensive list" of measures to be reported with effect from April 2011, be noted.

(c) The recommendation from the Strategic Overview and Scrutiny Panel at its meeting on 14 December 2010 be agreed.

REASONS

The Council's performance management framework includes the commitment to report the Council's half yearly performance update to Cabinet.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

55. Revised Whistleblowing Policy

The Cabinet considered minute 13 of the Standards Committee meeting on 26 November 2010, a copy of which had been circulated to each Member and a copy of which appears as Appendix D to these minutes.

RESOLVED that the revised Whistleblowing Policy be approved.

RECOMMENDED to Council that the revised Whistleblowing Policy be included in the Council's Policy Framework.

REASONS

(a) The Committee on Standards in Public Life recommended in 1997 that 'every local authority should institute a procedure for whistleblowing, which would enable concerns to be raised confidentially inside and, if necessary, outside the organisation'. The Government accepted this recommendation in 1998 and the Council duly introduced such a procedure, which has been updated subsequently.

(b) The Public Interest Disclosure Act 1998 provides employees with statutory protection against dismissal and victimisation when raising genuine concerns about crime, civil offences, miscarriages of justice and danger to health and safety and the environment, so long as the manner in which the concerns are raised complies with the requirements of the Act.

(c) The Whistleblowing Policy seeks to follow the latest guidance and supports the Council's strategy to help fight fraud and corruption. It makes it clear that concerns can be raised without fear of reprisals. It is intended to encourage and enable councillors, employees, contractors, suppliers and members of the public to raise concerns with the Council, irrespective of status, rather than overlooking the issue or reporting the matter.

(d) The Whistleblowing policy was reissued in April 2009 following a fundamental review of its contents. It is appropriate that it is reviewed on an annual basis to ensure that it is still meeting the Council's objectives.

ALTERNATIVE OPTIONS

Cabinet could decide not to approve the Whistleblowing Policy or approve it with amendments.

56. A Joint Parking Service for North Essex

The Head of Street Services submitted a report a copy of which had been circulated to

each Member and a copy of which appears as Appendix E to these minutes in the Minute Book.

Councillor Hunt, Portfolio Holder for Street and Waste Services introduced the report. He explained that Essex County Council was seeking to develop a Joint Parking Partnership to deliver parking services, similar to the Partnership operated by Colchester, Braintree and Uttlesford Councils. This would involve the establishment of two partnerships, one for North Essex and one for South Essex. Colchester Borough Council had been invited to be the lead authority for the North Essex Partnership and this would help secure jobs at Colchester. It was anticipated that the partnership approach would eventually lead to the service making a surplus across the County.

It was noted that Rochford District Council had declined to join the partnership for South Essex pending obtaining further details and Councillor Hunt explained that if a significant number of authorities declined to join the North Essex Partnership and that as a consequence the finances underpinning the Partnership were no longer valid, the matter would be referred back to Cabinet.

RESOLVED that:-

(a) The signing of a Strategic Commissioning Agreement with Essex County Council (ECC) governing the establishment of a joint Parking Service for the north of Essex covering the borough and district areas of Braintree, Colchester, Epping, Harlow, Tendring and Uttlesford Councils, which is to be hosted by Colchester Borough Council and overseen by a Joint Committee be approved. Authority for agreeing the final document be delegated to the Portfolio Holder for Street and Waste Services.

(b) The signing of a Parking Partnership Joint Committee Agreement with the effective date of implementation of 1 April 2011 be approved, which will detail the Joint Committee arrangements, responsibilities and financial implications for the partner authorities. This will also include arrangements for the management and operation of Colchester's Car Parks. Authority for agreeing the final document be delegated to the Portfolio Holder for Street and Waste Services.

(c) The dissolution of the existing Parking Partnership Joint Committee Agreement between Colchester Borough Council, Braintree District Council and Uttlesford District Council with effect from 31 March 2011 be approved, subject to the agreement of the above documents.

(d) If a significant number of authorities declined to join the North Essex Partnership then the matter would be referred back to Cabinet.

REASONS

(a) There is a need for change to ensure that on-street Parking services in Essex are effective and financially viable, particularly as the operating deficit across the County is predicted to reach in excess of £1m for this financial year.

(b) Having served notice on all the Boroughs and District Councils to cease the current

individual agency agreements with effect from 1 April 2011, Essex County Council wishes to develop a new way forward working in partnership with the district authorities through a new Partnership to deliver sustainable, efficient and effective on-street parking services.

(c) Over the last six months an options appraisal process has been worked through by all authorities and this concluded that creating a Joint Parking Partnership service, similar to the model operated by Colchester, Braintree and Uttlesford Councils, would be the best solution.

(d) This Partnership approach would meet both the County Council and district authorities' objectives, including improved quality of service and on-going financial savings. The Partnership would have the capacity and be able to supply off-street parking services too.

(e) The setting up of the new on-street Partnership has modest one-off investment costs which will be borne by the County Council.

(f) This issue was considered at meetings of the Leaders and Chief Executives Group during summer 2010. The recommendation to proceed with the creation of a joint service was agreed in principle, based on a detailed Options Appraisal Report.

(g) This report has now been presented, with the County Council Portfolio Holder's support, and the Leaders and Chief Executives Group at their December 2010 meeting has agreed that it should be pursued using the Partnership model based on two geographical areas, one for the north of the County and one for the south.

(h) Colchester Borough Council has been invited to be the lead authority for the north of Essex and has commenced negotiations with Essex County Council to agree a Strategic Commissioning Agreement. The Agreement will be for 7 years, with an option to extend for a further 4 years.

(i) Following that a Partnership Agreement will have to be signed by all the participating borough and district authorities that will detail the arrangements of the service and set out each partner authorities' financial and operational responsibilities.

ALTERNATIVE OPTIONS

(a) The alternative of continuing with existing stand-alone arrangements in each district area has been judged unsustainable by the County Council as the client for the service. 12 separate independent parking services operations would require substantial additional investment and represents a last resort that would not be appropriate unless all other options were unacceptable.

(b) Each district authority has no decision-making powers about on-street parking, this being in the gift of the County Council and already decided; the limit of the Council's remit was to decide whether or not to join the new Partnership to influence the delivery of on-street parking services and additionally whether to transfer off-street parking

functions.

(c) Regarding off-street operations, the other option is for authorities to retain their own operations which could meet some objectives and in addition the benefits would be smaller than for the full joint service. Nevertheless, if one authority decides not to participate, it would be sensible to consider creating a joint service initially between the others, with the possibility of expanding later.

57. Housing Revenue Account Estimates 2011-12

The Head of Strategic Policy and Regeneration submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix F to these minutes in the Minute Book.

Councillor T. Young, Portfolio Holder for Housing and Community Safety, explained that the performance of Colchester Borough Homes (CBH) had improved dramatically. The management fee represented good value and reflected the level of services provided by CBH.

RESOLVED that:-

- (a) The 2011/12 Housing Revenue Account (HRA) revenue estimates as set out in Appendix A of the Head of Strategic Policy and Regeneration's report be approved.
- (b) Dwelling rents be calculated in accordance with the rent restructuring formula set out in paragraph 4.6 of the Head of Strategic Policy and Regeneration's report.
- (c) Rents for garages be approved as set out in paragraph 4.9 of the Head of Strategic Policy and Regeneration's report.
- (d) The initial 2011/12 management fee of £3,429,300 for Colchester Borough Homes (CBH), as set out in paragraph 4.18 of the Head of Strategic Policy and Regeneration's report, be approved.
- (e) The inclusion of a revenue contribution of £248,000 to the Housing Investment Programme in the budget be noted (see paragraph 4.30 of the Head of Strategic Policy and Regeneration's report).
- (f) The HRA balances position as set out in Appendix B of the Head of Strategic Policy and Regeneration's report be noted.
- (g) The Medium Term Financial Forecast (MTFF) set out at Appendix C of the head of Strategic Policy and Regeneration's report be noted.

REASONS

Financial procedures require the Head of Strategic Policy and Regeneration to prepare detailed HRA estimates for approval by the Cabinet, setting the new rent levels for the

new financial year.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

58. Greater Haven Gateway Housing Strategy 2011-15

The Head of Strategic Policy and Regeneration submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix G to these minutes in the Minute Book.

Councillor T. Young, Portfolio Holder for Housing and Community Safety, highlighted the benefits resulting from the previous Housing Strategy developed by the Greater Haven Gateway Partnership. Colchester had submitted robust data to the evidence base underpinning the Strategy. Information on the delivery of affordable housing was based on actual sites. Councillor Young explained that Colchester Borough Council was working with the Homes and Communities Agency to secure future funding for affordable housing within the borough and that delivery of affordable housing was likely to exceed the Council's target.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy and Performance, stressed that the Housing Strategy demonstrated the importance and benefits of being a member of the Greater Haven Gateway Partnership.

RESOLVED that the new Housing Strategy for the Greater Haven Gateway (GHG) sub-region for 2011-15 be adopted.

REASONS

The current GHG Housing Strategy will expire at the end of 2010. With significant changes to strategic direction and objectives, a new strategy is required. A new Housing Strategy for the sub-region will provide the eight local authorities and their partners with a clear statement of priorities for strategic housing related activities and the actions necessary to achieve change.

ALTERNATIVE OPTIONS

Not to adopt a sub-regional Housing Strategy. Although the Council has its own housing strategy it does not fully articulate sub regional priorities. Whilst recent government changes have abolished regional structures sub regions remain well placed to deliver joint aims within a locality that is broader than individual authority boundaries. Although the creation of Local Enterprise Partnerships has changed the geography of partnership working, in Essex and Suffolk there is still a desire to deliver strategic outcomes through sub-regional partnerships.

59. Revision of the Local Development Scheme

The Head of Environmental and Protective Services submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix H to these minutes in the Minute Book together with minute 27 of the Local Development Framework Committee meeting of 2 December 2010.

RESOLVED that:-

- (a) The revised Local Development Scheme be approved and adopted.
- (b) The revised Local Development Scheme be submitted to Go-East.

REASONS

(a) The plan making process is regulated by The Town and Country Planning (Local Development) (England) Regulations 2004 (and amendment 2008) which govern production of development plan documents. The Regulations are supported by Planning Policy Statement 12 (PPS12) which sets out government policy on local development frameworks.

(b) The Government has stressed the importance of keeping Local Development Schemes up to date. The current LDS came into effect in 2008 and covered the production of documents that for the most part have been completed. It is therefore necessary to revise the document by including the review of adopted documents and the preparation of additional Supplementary Planning Documents. It has also become necessary to update the Statement of Community Involvement.

(c) The recently published Localism Bill sets out the Coalition Governments intention to remove procedures on timetabling and monitoring but also states that local authorities will have to publish up to date information on what planning documents they are preparing.

(d) Whilst there remained a requirement to submit the Local Development Scheme to Go-East, they would no longer be commenting on schemes or suggesting amendments.

ALTERNATIVE OPTIONS

The LDS must be agreed and submitted to the Secretary of State. Consideration can be given to the timetable for the production of the various documents.

60. Progress of Responses to the Public

The Head of Corporate Management submitted a progress sheet a copy of which had been circulated to each Member and a copy of which appears as Appendix I to these minutes in the Minute Book.

RESOLVED that the contents of the Progress Sheet be noted.

REASONS

The progress sheet was a mechanism by which the Cabinet could ensure that public statements and questions were responded to appropriately and promptly.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

Councillor Tim Young (in respect of his position as a governor of Colchester Academy) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

61. Disposal of Layer Road Football Ground

The Head of Resource Management submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix J to these minutes in the Minute Book.

Nick Foxley addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He explained that he had been looking for a new home ground for Colchester Gladiators and on becoming aware of the sale of the vacant Layer Road site had put together a proposal for profitable multi-sports facility on the site. This would be a suitable monument to the legacy of the site and would be a facility from which the whole community would gain. Local residents would be able to access the facility at discounted rates. Delivery of the facility would link in with the sports strategies of Colchester Borough Council and Essex County Council. The proposal would provide a sustainable long term use for the site and generate income for Colchester Borough Council. It would also provide a home ground for Colchester Gladiators, a first class amateur American Football club. The proposal had support from a number of sports organisations such as Sport England, and from Bob Russell, MP.

Tom Burridge Chairman of Colchester Gladiators, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He stressed the need for Colchester Gladiators to find a new home ground. The Gladiators did a considerable amount of sports development work and work with schools and young people. The club had been nominated for awards for this work. It was emphasised that the proposal was for a multi sports centre. The proposal met a number of the Council's priorities and objectives and would help develop a suitable legacy on the Layer Road site. Whilst the proposal could not match the commercial bids, it offered a long term sustainable use of the site and it was hoped the Council could support it.

Councillor Turrell, Leader of the Council and Portfolio Holder for Performance and Strategy, indicated that a written response would be sent to Mr. Oxley and Mr. Burridge.

Councillor Hazell attended and with the consent of the Chairman addressed the

Cabinet. Whilst the proposal put forward by Mr. Oxley had merit, it was not what local residents wanted for the site. Residents had indicated they wanted to see the site redeveloped for residential use. Whilst a retirement facility was the preferred option, it was appreciated that this may not be viable, but residents wanted a low density scheme, preferably bungalows, with sufficient parking provision. Councillor Hazell requested that the Residents' Association be kept informed of developments.

Councillor Smith thanked the speakers for attending and putting forward their proposal. However, in the present climate the Council could not afford to forego a £1.8 million receipt.

This was the right time to sell the site as it had maximised the provision of affordable housing on the site. The concerns raised by Councillor Hazell about density, parking and nature of units would be matters for the Planning Committee to consider.

Councillor Dopson, Portfolio Holder for Communities, indicated that the Council had been very keen to pursue the extra care facility but this had not proved possible. She would be happy to meet with Colchester Gladiators to see what help could be provided to them in their search for a ground. Councillor Hunt, Portfolio Holder for Street and Waste Services, supported this.

Councillor T. Young, Portfolio Holder for Housing and Community Safety, welcomed the additional affordable housing the scheme would bring, which would help house an additional seven families. This was an important contribution to the Council's strategic objectives.

Councillor Barton, Portfolio Holder for Planning and Sustainability, emphasised that a revised Planning Brief for the site had been drawn up which would address some of the concerns raised by Councillor Hazell.

RESOLVED that the freehold sale of Layer Road Football Ground be agreed in accordance with the recommendations set out in Section 5 of the Head of Resource Management's report.

REASONS

(a) The property comprises an area of 3.63 acres (1.47 hectares) and is shown outlined on the Ordnance Survey plan (Appendix A to the Head of Resource Management's report).

(b) This property has been vacant since mid-2008 when Colchester United FC moved to their new ground at the Community Stadium. Initial marketing of the site at that time resulted in an offer of £1.8 Million on an unconditional basis but disposal of the site was frustrated when the preferred bidder subsequently reduced its offer by 33% and changed the basis of offer to being conditional on planning and to disposal on a plot by plot basis.

(c) The property was then withdrawn from the market to enable the alternative option of developing an extra-care housing scheme on the site to be investigated in partnership with a suitably experienced provider of affordable housing. However, in the light of a

significant reduction in the Homes and Communities Agency budget, with the strong likelihood of reduced capital funding being available in the future coupled with restrictions in revenue funding, reconsideration has been given to outright disposal.

(d) The Council's Agents in the previous sale, Savills, were instructed to re-market the property, supported by an updated Planning Brief. This included policy changes related to a requirement for 35% affordable housing (up from 25%) and enhanced parking provision. Arising from the marketing programme, thirteen offers from nine bidders were received by the closing date of 12th November 2010. Of these, five offers were at, or above, a price considered by Savills to be acceptable in current market conditions in the light of the increased affordable housing requirement imposed since the earlier marketing. Offers that included affordable housing at less than 35% are not being considered further.

ALTERNATIVE OPTIONS

(a) Of the offers received one was not on a residential basis but was for the development of a multi-function sports facility featuring an enclosed stadium with 3G artificial turf, sports hall, fitness centre, sports bar, adaptable studio halls, bar and conference area, pro-shop and offices. The proposal was presented in the form of a 'letter of intent' on the basis of a 'token purchase price' only with no significant capital receipt. This report recommends disposal for residential development in view of the need to achieve a capital receipt, together with a requirement to provide affordable housing on the site.

(b) Of the residential offers one was not conditional on Planning Permission. Acceptance of this offer would have resulted in a reduction of approximately £400,000 in receipt compared to the best conditional offer but would result in an immediate sale without the need to await the outcome of a planning application, also without the risk of withdrawal of a conditional offer either if it failed to win a satisfactory Planning Permission or resulting from worsening market conditions during this period.

(c) If Cabinet decided against proceeding with any of the offers received, the feasibility of other options could be considered, or the site could be remarketed for alternative suitable uses.

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.

62. Disposal of Layer Road Football Ground

The Cabinet considered Appendix B to the Head of Resource Management's report.

RESOLVED that the site be offered in the first instance to the highest conditional

bidder in accordance with the revised offer (offer 7B of Appendix B to the Head of Resource Management's report) and that if that sale should not proceed or is unable to satisfy planning requirements, then the procedure set out in paragraph 5.2 of the Head of Resource management's report shall be followed.

REASONS

As set out in minute 61.

ALTERNATIVE OPTIONS

As set out in minute 61.