

17th October 2018

Report of	Assistant Director – Policy and Corporate	Author	Elizabeth Simpson
Title	Land North of J28 of the A12 – Disposal of Two Sites (Site A & B)		01206 508792
Wards affected	Mile End		

1. Executive Summary

- 1.1 This report seeks approval to enter into negotiations with the recommended preferred bidder for two sites (site A and B) North of Junction 28 of the A12 on the land known as Northern Gateway and requests that delegated authority is granted to the Assistant Director for Corporate and Policy in consultation with the Portfolio Holder for Resources to approve the final terms and legal documents for the subsequent sale of the sites.

2. Decision(s) Required

- 2.1 To agree the disposal of Sites A and B, as identified on the site plan at Appendix A to this report.
- 2.2 To note that the total capital receipt for these sites is allocated into the Revolving Investment Fund (RIF) and earmarked for funding for the Colchester Northern Gateway Sports Hub as agreed by Cabinet in November 2016 and as amended in August 2017.
- 2.3 To approve that negotiations are entered into with the preferred bidders for Site A and Site B as detailed in the Confidential Appendix (Appendix B).
- 2.4 To agree that if agreement is not reached with the preferred bidder for either site, authority is delegated to the Assistant Director, Policy and Corporate in consultation with the Portfolio Holder for Resources to approach the under bidders to secure the best terms for disposal.
- 2.5 To delegate to the Assistant Director, Policy and Corporate in conjunction with the Portfolio Holder for Resources the authority to negotiate the Heads of Terms and the conclusion of legal documentation for the sale of the sites.

3. Reasons for Decision(s)

- 3.1 To enter into negotiations with the preferred bidder for each site with the objective of disposing of them to secure capital receipts for funding for the Colchester Northern Gateway Sports Hub.

4. Alternative Options

- 4.1 The Council could keep hold of the land and retain it as a longer term asset to develop it itself in the future. However, the capital receipt has already been allocated for a regeneration project within the RIF.
- 4.2 The Council could seek to accept bids which were not conditional on planning or on any other factors. Whilst this may be suitable in order to dispose of the property quickly, it may not achieve the highest value and/or the best use of the site although it would remove some of the risks surrounding a conditional disposal.

5. Background Information

- 5.1 The two sites are located to the north of J28 off the A12 and shown on the Site Plan (Appendix A), labelled Site A and Site B. Both measure 0.9 acres.
- 5.2 Both sites have been openly marketed. Marketing included an online advert with the Estate Gazette which went live in June 2018. The property was also advertised on Colchester Borough Council's (CBC) Inward Investment Ultra Ready Website. Offers via informal tender were requested by 10th August 2018. 12 offers in total were received from 12 different parties on both a conditional and unconditional basis. Details of all offers can be found in the Confidential Appendix.
- 5.3 To compare and assess the quality of the bids, a weighted scoring matrix was undertaken for all of the bids received for Site A and the top 6 bids for Site B. The offers were scored by purchase price, conditions of offer, suitability of the proposed use for Colchester Northern Gateway and the bidders ability to perform (financial and timescales). The scoring matrix can be found in the Confidential Appendix.
- 5.4 Access for both sites for all of the proposed bidders will be needed through the Park and Ride. Some initial discussions have been undertaken on this basis with Essex County Council (ECC) and this principle is generally accepted however further detailed negotiations will now be undertaken.
- 5.5. Following a process of evaluation, it is proposed to dispose of the sites on a freehold basis to the preferred bidders as detailed in the Confidential Appendix.

6. Strategic Plan References

- 6.1 The planned developments will enhance the diverse retail and leisure mix planned in Northern Colchester which will meet the 'Growth' and 'Opportunity' strategic aims and will help create an attractive and sustainable location where people can be proud to work.
- 6.2 One of the developments will have a direct influence on the health of the borough and will therefore help to meet the 'Wellbeing' and 'Opportunity' strategic goals.

- 6.3 The recommended developments will “Promote Colchester to attract further inward investment and additional businesses, providing greater and more diverse employment.”

7. Consultation

- 7.1 No public consultation has been undertaken. Any development on sites will be subject to gaining planning consent which will include a period of public consultation.

8. Publicity Considerations

- 8.1 Both sites have been openly marketed.

9. Financial implications

- 9.1 The proposed disposal of these freehold, sites will generate a capital receipt for the Council. It has previously been agreed that these receipts will be held within the Revolving Investment Fund (RIF) and specifically used to support the delivery of the Northern Gateway Sports Hub project. The detailed financial implications are addressed in the Confidential Appendix.

10. Equality, Diversity and Human Rights, Community Safety and Health and Safety implications

- 10.1 An Equality Impact Assessment is available to view [here](#) and selecting Disposals and Marketing or via the following pathway from the Council's website www.colchester.gov.uk – How the Council Works / Equality and Diversity / Equality Impact Assessments / Commercial Equality Impact Assessment / Disposals and Marketing.

11. Community Safety Implications

- 11.1 There are no community safety implications.

12. Health and Safety Implications

- 12.1 There are no Health and Safety implications.

13. Risk Management Implications

- 13.1 The key risks identified are set out below:

Risk description	Impact and / or Consequences	Risk Mitigation / Controls
Planning permission is not obtained for the proposed developments.	Would need to find an alternative purchaser who may offer less for the site. If elements of the proposed development are unacceptable the preferred bidders may want to renegotiate the purchase price.	The sites are currently undesignated in the emerging Local Plan with the exception of part of Plot A which is designated for Sport and Leisure use. Initial informal discussions have been held with CBC planners and these would be continued.

The preferred bidders decide not to go ahead with the purchase.	Would need to find an alternative purchaser who may offer less for the site.	It will be necessary to ensure that the preferred bidders sign contracts and pay a deposit as soon as possible.
The purchasers decide not to go ahead with the purchase as access can't be agreed to their satisfaction.	Would need to find an alternative purchaser who may offer less for the site.	Discussions to continue with ECC Park and Ride and Essex Highways.
One of the conditions of the preferred bidders can't be satisfied.	Would need to find an alternative purchaser who may offer less for the site.	Ensure the purchasers proceed quickly with their due diligence.

Appendices

Appendix A – Site Plan

Appendix B – Not for publication material

Appendix A – Site Plan



