


13th November 2019

Report of	Strategic Director Policy and Place	Author	Holly Brett
Title	Potential Disposal of Land at the Hythe		 508830
Wards affected	Old Heath and the Hythe Ward		

1. Executive Summary

- 1.1 This report seeks to provide an update on the potential disposal of land at the Hythe and offers received

2. Recommended Decision

- 2.1 To enter into Heads of Terms with the preferred bidder on the land at the Hythe as outlined in the confidential part of this report

3. Reason for Recommended Decision

- 3.1 This site has been marketed a number of times over the last 10 years however it has been problematic to deliver a scheme due to the high cost of de contamination required on the site. The disposal would generate a capital receipt to the RIF to support income producing schemes and would see this area of land decontaminated and re developed at the Hythe and brings other financial benefits to the borough
- 3.2 The site is allocated in both the adopted and emerging Local Plans for mixed use development including housing, small scale commercial and community uses, reflecting the desire to regenerate this part of Colchester.
- 3.3 The preferred purchaser offers the best potential capital receipt and means the area is regenerated and decontaminated

4. Alternative Options

- 4.1 Not to dispose of the site to the preferred purchaser

5. Background Information

- 5.1 The site has been marketed a number of times over the last 10 years however it has been problematic to deliver a scheme due to the high cost of de contamination required on the site, estimated at circa £4m. Previously, the Cabinet agreed to pursue the Legacy proposal, that delivered homes, sports facilities and student accommodation. Whilst this proposal carried risk for the Council, it did bring the benefit of regeneration to the area, including some open and green space provision.

- 5.2 The Legacy proposal has not progressed as the scheme viability showed a funding shortfall of £10m and CBC's bid to the Housing Infrastructure Fund (HIF) to breach the gap was unsuccessful. This scheme also relied on the transfer of the COLDOC site from Homes England to CBC, however they decided to sell the property at auction, meaning that the scheme could not be delivered.
- 5.5 The site is allocated in both the adopted and emerging Local Plans for mixed use development including housing, small scale commercial and community uses, reflecting the desire to regenerate this part of Colchester.
- 5.6 A marketing exercise has been undertaken and the bids received are set out in the confidential part of this report
- 5.8 On evaluation of the bids the recommendation is to dispose of the site on a long leasehold deal to the preferred bidder as set out in the confidential part of this report

6. Equality, Diversity and Human Rights implications

- 6.1 Not applicable at this stage

7. Standard References

- 7.1 This report details references to a number of elements of the Strategic Plan; describes consultation undertaken with a wide range of stakeholders, the publicity, financial, community safety, H&S, and risk management implications of the undertaking.

7. Strategic Plan References

- 7.1 The RIF supports the Strategic Plan in terms of Growth: Ensuring all residents benefit from the growth of the borough and Opportunity; promoting and improving Colchester and its environment

8. Consultation

- 8.1 Marketing has been carried out for this site through the Council's inward investment website and through national estates publications
- 8.2 As the Heads of Terms progresses further consultation will be undertaken

9. Publicity Considerations

- 9.1 The site has been publicly marketed, as the Heads of Terms progresses to an agreement for lease further publicity will be undertaken

10. Financial implications

- 10.1 A capital receipt to the RIF would be generated as set out in the confidential part of this report

11. Health, Wellbeing and Community Safety Implications

11.1 None identified at this stage

12. Health and Safety Implications

12.1 None identified at this stage

13. Risk Management Implications

13.1 Risks will be closely managed throughout the process to ensure they can be mitigated as far as is possible