

20th December 2018

Report of	Assistant Director – Policy and Corporate	Author	Elizabeth Simpson
Title	Plot 600 Colchester Business Park – Disposal of Site		01206 508792
Wards affected	Highwoods		

1. Executive Summary

- 1.1 This report seeks approval to enter into negotiations with the recommended preferred bidder for a site measuring 3.1 acres located within Colchester Business Park, known as Plot 600 and requests that delegated authority is granted to the Assistant Director for Policy and Corporate in consultation with the Portfolio Holder for Resources to approve the final terms and legal documents for the subsequent sale of the site.

2. Decision(s) Required

- 2.1 To agree the disposal of Plot 600, as identified on the site plan at Appendix A to this report.
- 2.2 To agree that the total capital receipt for this site is allocated into the Revolving Investment Fund (RIF).
- 2.3 To approve that negotiations are entered into with the preferred bidders for Plot 600 as detailed in the Confidential Appendix (Appendix B).
- 2.4 To agree that if agreement is not reached with the preferred bidder for the 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 site.

3. Reasons for Decision(s)

- 3.1 To enter into negotiations with the preferred bidder for the site with the objective of disposing of them to secure capital receipts to support the Revolving Investment

Fund (RIF) which recycles capital to fund regeneration projects and income producing investments.

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 earmarked to support regeneration projects 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 Plot 600 is located in the heart of Colchester Business Park close to J28 of the A12 and shown on the Site Plan (Appendix A). The site measures 3.1 acres.
- 5.2 The site has been openly marketed. Marketing included a hard copy advert in the Estates Gazette and an online advert with the Estate Gazette which went live on 27th September 2018. The property was also advertised on Colchester Borough Council's (CBC) Inward Investment Ultra Ready Website. Expressions of interest via informal tender were requested by 18th October 2018. 6 expressions of interest were received from 6 different parties.
- 5.3 Best and final offers were subsequently requested by 30th November 2018. 3 bids were received and details of these offers can be found in the Confidential Appendix.
- 5.4 To compare and assess the quality of the bids, a weighted scoring matrix was undertaken. The offers were scored by assessing purchase price, site area required, conditions of offer, suitability of the proposed use for the site and the bidders ability to perform (financial and timescales). The scoring matrix can be found in the Confidential Appendix.
- 5.5 Following a process of evaluation, it is proposed to dispose of the site on a freehold basis to the preferred bidder as detailed in the Confidential Appendix.

6. Strategic Plan References

- 6.1 'Growth' - The planned development will attract inward investment into Colchester, additional businesses and more employment opportunities. There will be a significant investment in the site which will provide economic growth through the retention and creation of a substantial number of jobs. The Council will also benefit from increased business rate revenue.
- 6.2 'Opportunity' – it will promote and enhance Colchester as a place for economic growth and job creation and help to create an attractive location where people can be proud to work.

7. Consultation

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

8. Publicity Considerations

- 8.1 The site has been openly marketed.

9. Financial implications

- 9.1 The proposed disposal of this freehold site will generate a capital receipt for the Council. It is proposed this receipt will be held within the Revolving Investment Fund (RIF). 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 development.	<p>Would need to find an alternative purchaser who may offer less for the site.</p> <p>If elements of the proposed development are unacceptable the preferred bidder may want to renegotiate the purchase price.</p>	The site is currently designated as a strategic employment zone in the local plan and initial informal discussions with CBC planners have indicated that B1 use would be acceptable.
The preferred bidder decides 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.
One of the conditions of the preferred bidder 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.

Background Papers

None

Appendix A – Site Plan

