



Cabinet

16 November 2022

Item
8(i)

Report of	Executive Director Place	Author	Elizabeth Simpson Head of Estates (CATL)
Title	Sale of land at Northern Gateway, Colchester		
Wards affected	Mile End		

1. Executive Summary

- 1.1 This report seeks approval for the sale of approximately 5 hectares (12.4 acres) of land off Axial Way, Northern Gateway, Colchester.
- 1.2 The land is vacant and has outline planning consent for a Healthcare Campus incorporating a hospital, medical centre, care home and up to 300 older people's homes. This site is a key part of the Northern Gateway vision and the healthcare development is a vital part of the overall Northern Gateway masterplan to provide a mixed scheme of healthcare, sport, leisure, business and residential uses.

2. Recommended Decision

- 2.1 To agree to the disposal of the healthcare site at Northern Gateway on the terms set out in Parts A and B of this report.
- 2.2 To note the offers received as set out in Appendix B of Part B of this report and to agree to a disposal to an alternative bidder, if the preferred developer does not perform.
- 2.3 To give delegated authority to the Executive Director Place, in consultation with the Portfolio Holder for Resources to negotiate terms, conclude the legal documents or any relevant consequential matters to complete the disposal.

3. Reason for Recommended Decision

- 3.1 The site is a key part of the Northern Gateway masterplan and has a resolution to grant outline planning consent for a healthcare development. Along with the new mixed leisure scheme and the new sports hub, this will help establish and complete the Northern Gateway masterplan.
- 3.2 The site has been fully marketed by external agents and several offers were received for the land.
- 3.3 The final development will retain skilled staff in the Borough and create circa 500 jobs to include full time, part time and apprenticeships.
- 3.4 The mix of health, care and older people's homes proposed for the site will help to meet any gaps in provision across the Borough.

4. Alternative Options

- 4.1 Do nothing. This is not a viable option given the Council's vacant property strategy, the Northern Gateway masterplan and vacant property costs.
- 4.2 CBC could redevelop the site itself. This has been reviewed but this is a specialist healthcare site and this would not be practical or cost effective.
- 4.3 Other disposal options have been considered but these are covered in the Part B paper as there is market sensitivity to this information.

5. Background Information

- 5.1 The vision for the development of the land at Northern Gateway has been set out in the North Colchester Masterplan document, with the board vision to create:-
 - A new gateway for Colchester
 - A cutting edge destination for sport and leisure
 - A distinctive place defined by memorable buildings and spaces
 - An exemplary approach to sustainability
 - A place for enterprise and employment opportunities
- 5.2 The development of Northern Gateway as a leisure, sport and business destination is already well underway. A variety of employment uses are already in place along Axial Way including Flakt Woods and Easter Park. The new sports hub has been open for over a year and complements David Lloyd and Colchester Community Stadium. The 200,000 sq ft mixed commercial leisure scheme is under construction now and will provide a variety of leisure uses including a cinema, hotel and restaurants. This is scheduled to open in Autumn 2023.
- 5.3 Various infrastructure works have been completed including access roads, the new pedestrian walkway and the enabling works for ultra-fast broadband and the ground source heat pump network to provide heat and hot water to the area.
- 5.4 The subject site is a key part of the larger Northern Gateway vision. An outline planning consent was made for c. 24 hectares (c. 59 acres) which was for the healthcare site as well as up to 45,100 sqm of business use (B1a), up to 350 homes (C3), various infrastructure works, ancillary retail and a community centre and village green.
- 5.5 A resolution to grant outline planning consent was approved in July 2021, which included the following consents for the c. 5 hectare (c. 12 acre) healthcare site
 - 4,300 sqm hospital (C2)
 - 1,200 sqm medical centre (D1)
 - 3,600 sqm 75-bed care home (C2)
 - Up to 300 older people's homes (C3)

Negotiations are being finalised over planning and highways arrangements with agreement expected shortly which will enable formal authorisation of the outline planning consent.

- 5.6 External agents were used to market the property given its specialist nature and to ensure as wide an exposure to potential bidders as possible. Jones Lang Lasalle (JLL) started formally marketing the site in April 2022. After an extensive marketing campaign initial bids and expressions of interest were received in June 2022. After a further period

of negotiations, best and final bids were received in Sept 2022, and a summary of these is detailed in Appendix B of the Part B paper.

- 5.7 It is recommended that delegated authority be given to the Executive Director Place in consultation with the Portfolio Holder for Resources.
- 5.8 See Part B for more information on the bids (5.9 – 5.18) which is confidential because it contains sensitive financial commercial information.

6. Equality, Diversity and Human Rights implications

- 6.1 Section 149 of the Equality Act 2010 places a local authority under a legal duty ("the public sector equality duty") to have due regard to the following matters in the exercise of all its functions, namely the need to:
- a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act;
 - b. advance equality of opportunity between persons who share a "relevant protected characteristic" (i.e. age, disability, sex, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation) and persons who do not share it; and
 - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.2 The public sector equality duty is a continuing duty which Members must consider and review at all stages of decision-making. An EqIA report in respect of property disposals to which Members are referred to is as follows:

<https://www.colchester.gov.uk/equality-and-diversity/equality-impact-assessments/disposal-of-property/>

- 6.3 Breach of human rights - the property was fully and transparently marketed giving all interested parties the opportunity to bid.

7. Strategic Plan References

- 7.1 The sale of this land for a healthcare development meets a number of the Council's Strategic Plan goals, and these are set out in more detail below.
- 7.2 Tackling the climate challenge and leading sustainability. One of the key priorities of this goal is to 'Respond to the Climate Emergency'. All buildings on the site will be required to use the low carbon Renewable Heat Network which, using a ground source heat pump, will supply properties with heat and hot water significantly reducing the carbon footprint of the scheme.
- 7.3 Creating safe, healthy and active communities. This is a healthcare development and with the hospital and medical centre, the care home and older people's homes, it will make a positive impact on the local area. It will also provide s.106 contributions to further improve the community infrastructure. The scheme will also create approximately 500 additional jobs which will help the sustainability of the local community and the wider Borough.
- 7.4 Creating a fair economy so everyone benefits. One of the key priorities is to promote the recovery from Covid 19 and includes developing opportunities and the 'Transformation of

the Northern Gateway as a hub for improved wellbeing, physical activity, jobs, housing and renewable energy'. This development will meet a number of these aims and will bring a significant amount of investment to Northern Gateway and Colchester.

- 7.5 Another priority is to 'Create an environment that attracts inward investment to Colchester and help businesses to flourish'. The Council has proactively created the infrastructure at Northern Gateway where investors are prepared to spend substantial sums to create this healthcare hub. This investment into Colchester along with the additional jobs will positively impact on the local community and businesses.

8. Consultation

- 8.1 The property has been fully marketed through a variety of mediums to ensure full exposure to all interested parties.
- 8.2 The outline planning application process provided the opportunity for the NHS, community and stakeholders to provide their feedback.

9. Publicity Considerations

- 9.1 The premises have already gone through the public planning process and been advertised for sale.

10. Financial implications

- 10.1- See confidential Part B
10.6

11. Health, Wellbeing and Community Safety Implications

- 11.1 With the planned hospital, medical centre, care home and older people's homes, there will be a positive benefit to the health and wellbeing of Colchester.

12. Health and Safety Implications

- 12.1 There is no potential impact to the Health and Safety of the public as a result of this sale. The purchaser would need to follow all relevant statutory health and safety protocols when developing the site.

13. Risk Management Implications

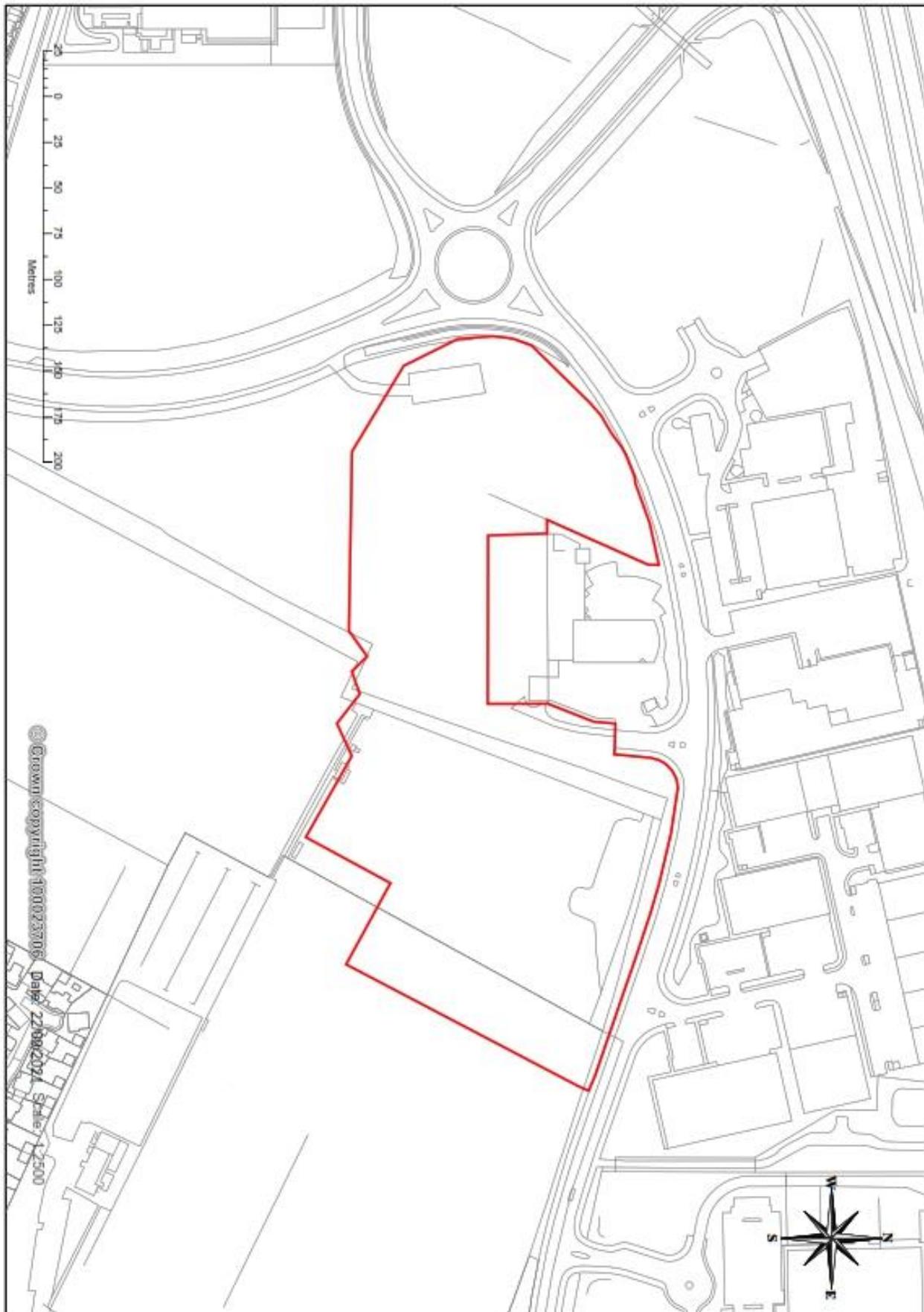
- 13.1 The selected purchaser may not perform or pull out. There were alternative bids and the council can revert to these parties if this occurs.

14. Environmental and Sustainability Implications

- 14.1 There are environmental and sustainability benefits associated with the development of this site. The planned district heat network for which the Borough has secured £3.5m from the Department for Business, Energy and Industrial Strategy (BEIS) is not viable unless there are occupiers using the heating and hot water. The healthcare hub would be a significant user of this resource and will help make the heat network viable.

Appendices

Appendix A – Site Plan



Appendix B – Bid Breakdown – See Part B (confidential)

Appendix C – Heads of Terms – See Part B (confidential)