

13th November 2019

Report of	Assistant Director Policy and Corporate	Author	Holly Brett ☎ 508830 Paul Cook ☎ 505861
Title	General Update on schemes funded through the RIF		
Wards affected	All Wards		

1. Executive Summary

- 1.1 This report provides an update on RIF-funded schemes. It shows that good progress is being made in delivering the programme.

2. Recommended Decision

- 2.1 To note the contents of this report

3. Reason for Recommended Decision

- 3.1 To monitor this important element of the Council's capital programme

4. Alternative Options

- 4.1 Not applicable

5. Background Information

- 5.1 The RIF was set up to recycle capital receipts into high performing investments for the Council in order to produce income.

Updates on the current projects are set out below:

- Northern Gateway Sports Park
 - The Sports Park project is on site and work is well underway, with completion expected in early summer next year
 - Work has begun on the programming of sports events to take place upon opening
 - Consultation with key stakeholders, sports users and funders is ongoing
 - Works to the cricket pavilion and wicket at Mile End is now complete
- Northern Gateway South
 - A hybrid planning application has been submitted for the land south of Axial Way and is expected to be heard at planning committee later this year. The scheme comprises of new homes, commercial, open space, boulevard, access roads and a healthcare campus

- Following the cabinet approval of the heads of terms, work is progressing with the health care provider and key stakeholders to develop proposals further for the site off Axial Way
 - Work has started on site for the borehole test required for the heat network project, this work now forms part of Amphora Energy's remit and will be reported on though the board
- Town Centre
 - Work is progressing on site at the former "Jacks" building with work expected to complete before the end of the year
 - The feasibility work on St Nicholas Square is now complete and funding solutions are being investigated
 - The feasibility project for "Grow on Space" is well underway funding sought from SELEP, this was not successful in this round and alternative funding solutions are being sought
 - Land assembly is ongoing with the acquisition of properties in the surrounding area of Vineyard gate
 - Sport and leisure asset review; feasibility work is ongoing to look at potential options
 - St Botolphs public realm, improvements and repairs to existing public realm, work is ongoing to develop further improvements in this area
- East Colchester
 - Enhanced facilities for moored boats at the Hythe is underway with the installation of new electricity and water bollards
 - We continue to work with Essex County on the Haven Road flood issues
 - Broad Lane Sports Ground-solution sought through wider strategic project
- Digital Strategy
 - The Town Centre network has been extended in places to allow new business connections to the network
 - A bid has made to Department for Culture Media and Sport Local Full Fibre Network fund. This will enable expansion of the existing network to most of urban Colchester and to some outlying areas. This bid will pay for the infrastructure works required for the expansion]

6. Equality, Diversity and Human Rights implications

6.1 Not applicable

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. Financial implications

8.1 Progress on the 2019/20 RIF capital programme is set out in Appendix A.

- 8.2 Gains may be made directly from a RIF project, or indirectly where the RIF project facilitates wider developments that generate increased income in their turn. The subsequent table summarises the wider benefits of RIF projects.
- 8.3 Expenditure and income from specific projects is set out in the table in the Appendix in Part B of the agenda.

	Category of income	Summary of income source
1	Rental income	RIF projects may generate an ongoing income stream. Against this income stream should be offset the cost of any borrowing after allowing for grants and contributions from government and other sources.
2	Business Rates	<p>Commercial development leads to business rates income</p> <p>Under the current funding system, Colchester has a 40% share of business rates. MHCLG's assessment of Colchester's funding requirement is exceeded by business rates income so a tariff is paid.</p> <p>Colchester also benefits by outperforming its business rates baseline and its membership of the Essex business rates pool</p> <p>The Government expects to reform local government finance in 2021/22. The Government intends to move to 100% council retention of business rates in 2021/22. It is unclear what proportion of existing and future growth would be retained by councils and for how long.</p>
3	Council Tax	<p>Residential development increases the council tax base</p> <p>The Government expects to reform local government finance in 2021/22. It is likely at that stage the Council's funding base would be reset to reflect actual income levels. It is unclear whether future gains in council tax income would be retained by the Council.</p>
4	New Homes Bonus	<p>Residential development is rewarded by New Homes Bonus. Each additional unit is rewarded at the national average council tax for that band. Bonus is only paid for units above a 0.4% annual growth assumption.</p> <p>There are additional supplementary rewards for empty homes returned to use and affordable properties</p> <p>Under the current system bonus earned is paid for 4 years. 80% goes to the Council and 20% to ECC.</p> <p>Government has reserved the right to review the new homes bonus system in the 2020/21 local government finance settlement.</p> <p>Government has also announced a fundamental review of New Homes Bonus in 2021/22 as part of its proposal to reform local government finance</p>
5	S106	Major RIF projects may lead to S106 agreements

9. Standard References

- 9.1 There are no particular consultation or publicity considerations; community safety; health and safety or risk management implications.

	Total Programme £'000	Accrued spend to Q2 £'000	Forecast 2019/20 £'000	Forecast 2020/21 £'000	Forecast 2021/22 £'000	Forecast 2022/23 £'000	(Surplus) / Shortfall £'000	RAG Status		
Appendix A								REVOLVING INVESTMENT FUND	Previous	Current
Northern Gateway North	61	5	61	0	0	0	0	G	G	
CNGN - Mile End Cricket	59	4	59	0	0	0	0	G	G	
CNGN - Sports Hub	21,960	6,703	20,259	1,701	0	0	0	A	A	
Northern Gateway South	30	37	30	0	0	0	0	G	G	
CNGS - Detailed Planning	214	181	214	0	0	0	0	G	G	
CNGS - Boulevard	3,250	170	500	2,750	0	0	0	G	G	
Town Centre	2,185	105	500	1,685	0	0	0	A	A	
Jacks - St Nicholas St	644	203	644	0	0	0	0	G	G	
St Nicholas Square & Balcerne Gardens	26	2	26	0	0	0	0	G	G	
Sheepen Road Phase 2	85	53	85	0	0	0	0	G	G	
St Botolphs Public Realm	118	1	10	108	0	0	0	G	G	
East Colchester Enabling Fund	141	0	141	0	0	0	0	G	G	
Moorings Utility Works	75	3	75	0	0	0	0	-	G	
Breakers Park	69	0	69	0	0	0	0	G	G	
Digital Strategy - feasibility	160	51	160	0	0	0	0	G	G	
Sport & Leisure Asset Review	120	0	120	0	0	0	0	G	G	
Grow-on - former Queen St Bus Depot	31	0	31	0	0	0	0	G	G	
Broad Lane Sports Ground Wivenhoe	12	0	12	0	0	0	0	G	G	
Pre development/feasibility funds	250	0	0	250	0	0	0	G	G	
TOTAL - RIF	29,490	7,518	22,996	6,494	0	0	0			

Comments on Sports Hub:

Main contractor on site and work is well underway with target completion of May 2020. Work ongoing with funders to meet funding criteria and with end users of the completed facility.

Comments on Town Centre:

The programme will be delivered but some spend in 2020/21.