

Revolving Investment Fund Committee Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ**

Wednesday, 20 March 2019 at 18:00

The Revolving Investment Fund Committee has delegated authority from Cabinet to manage the Revolving Investment Fund, which has been established for the commercial management, disposal of and investment into key assets in order to drive forward income generation projects.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published.

Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

Have Your Say!

The Council welcomes contributions and representations from members of the public at most public meetings. If you would like to speak at a meeting and need to find out more, please refer to the Have Your Say! arrangements here: <http://www.colchester.gov.uk/haveyoursay>.

Audio Recording, Mobile phones and other devices

The Council audio records public meetings for live broadcast over the internet and the recordings are available to listen to afterwards on the Council's website. Audio recording, photography and filming of meetings by members of the public is also welcomed. Phones, tablets, laptops, cameras and other devices can be used at all meetings of the Council so long as this doesn't cause a disturbance. It is not permitted to use voice or camera flash functions and devices must be set to silent. Councillors can use devices to receive messages, to access meeting papers and information via the internet. Looking at or posting on social media by Committee members is at the discretion of the Chairman / Mayor who may choose to require all devices to be switched off at any time.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, using the contact details below and we will try to provide a reading service, translation or other formats you may need.

Facilities

Toilets with lift access, if required, are on each floor of the Town Hall. A water dispenser is available on the first floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Library and Community Hub, Colchester Central Library, 21 Trinity Square,
Colchester, CO1 1JB

telephone (01206) 282222 or textphone 18001 followed by the full number you wish to call

e-mail: democratic.services@colchester.gov.uk

www.colchester.gov.uk

Revolving Investment Fund Committee

Terms of Reference

To make decisions regarding the following:

- (1) Develop and Set the re-investment strategy for the rolling 5 year programme including:
 - (a) Establishment of a pipeline of high rental growth projects (subject to approval by way of a business case process) and subject to a spending cap of £5m
 - (b) Agree annual capital funds to be set aside for opportunity purchase of land/new investment assets (subject to investment business case being made).
- (2) A Project selection process – Establish a process for spend on non-income producing regeneration projects (subject to business case).
- (3) Developing and monitoring a capital receipts programme.
- (4) Developing and monitoring investment performance against key financial targets.
- (5) Developing a monitoring framework for schemes being developed with RIF investment.
- (6) Develop a strategy for any borrowing activities within the fund (subject to the Council's overall treasury management strategy).
- (7) Project Appraisal – Development of a formal business case procedure to include the following criteria:
 - (a) Return on investment (or regeneration outputs for non-income producing regeneration projects) – would income from the proposed project meet rates of return required to invest the capital requested?
 - (b) Deliverability – including a review of the planning status, barriers to development, market conditions, ownership and legal limitations
 - (c) Strategic fit – does the project support Council Strategic Priorities?
 - (d) Timescale for commencement of income
 - (e) Risk versus reward – Does the projected income outweigh the deliverability risks from the investment of capital, what is the security of income?
 - (f) Wider economic impacts – the wider impact of the project on the local economy eg stimulating other local development, contributing to growth of local business or housing targets, local supply chain utilisation.
- (8) Development and overseeing the overall approach to investment risk management including appropriate reviews of risks within the RIF against wider Council risk register.
- (9) Developing the mechanism for new assets to be added to the RIF capital receipts programme.

The Committee will have the authority to commission any reports or external advice/advisors that it needs to fulfil its responsibilities.

COLCHESTER BOROUGH COUNCIL
Revolving Investment Fund Committee
Wednesday, 20 March 2019 at 18:00

The Revolving Investment Fund Committee Members are:

Councillor David King (Chairman)
Councillor Tim Young (Deputy Chairman)
Councillor Nick Barlow
Councillor Mark Cory

The Revolving Investment Fund Committee Substitute Members are:

All members of Cabinet who are not members of this Committee.

AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)

Please note that Agenda items 1 to 6 are normally dealt with briefly.

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

2 Substitutions

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

3 Urgent Items

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

4 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

5 Minutes of Previous Meeting

The Committee will be invited to confirm that the minutes are a correct record of the meeting held on 16 January 2019.

RIF 160119 - public version (1)

7 - 10

6 Have Your Say!

The Chairman will invite members of the public to indicate if they wish to speak or present a petition on any item included on the agenda or any other matter relating to the terms of reference of the meeting. Please indicate your wish to speak at this point if your name has not been noted by Council staff.

7 Future High Streets

11 - 16

The Committee will consider a report on the forthcoming application to the Ministry of Housing, Communities and Local Government (MHCLG) 'Future High Streets' programme.

8 Exclusion of the Public (Cabinet)

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

**Part B
(not open to the public including the press)**

9 Minutes - Part B

The Committee will be invited to confirm the not for publication extract from the minutes of the meeting held on 16 January 2019 as a correct record.

REVOLVING INVESTMENT FUND COMMITTEE

16 January 2019

Present:- Councillor King (Chairman) Barlow, Cory, T. Young

85. Minutes

RESOLVED that the minutes of the meeting held on 20 December 2018 be confirmed as a correct record.

86. Revolving Investment Fund – Financial Update

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member. Sean Plummer, Strategic Finance Manager, attended to present the report and assist the Committee.

The report set out the current position on the Revolving Investment Fund (RIF), the projected forecasts, an update on the current projects funded through the RIF, some proposed allocations for new schemes and reallocations with the Fund to ensure that overall it remained balanced. The RIF had been established to recycle capital receipts into high income producing development schemes and also to fund regeneration and economic growth projects.

The revenue income into the RIF was currently estimated as £618,000 per annum and was forecast to continue to grow significantly. A small overspend of £68k was forecast on the overall programme, and this had been reported to the Scrutiny Panel. This needed to be seen in the context of an overall expenditure forecast of £37 million. The funding streams into the RIF were variable and it was important to manage the income into and expenditure out of the RIF in order that it remained balanced over the medium term. The specific contributions into the RIF were set out in the report. Whilst most of the funding came from capital receipts or external funding, the Council had also agreed a modest amount of long term borrowing.

Over the projected life of the RIF there was a gap of around £840,000 between income and expenditure. In addition there are short to medium term cashflow deficits which would be covered through temporary borrowing. Whilst it was acknowledged that there were some risks around short term borrowing, this type of borrowing was not uncommon. The RIF was actively managed to ensure that the amount of short term borrowing was kept to a minimum.

It was stressed that the RIF delivered very real benefits in terms of stimulating economic growth and jobs. The Amphora Phase 1 scheme, which had secured the retention of a significant local employer at the same time as delivering an income stream for the Council, was an example of this.

In discussion members stressed the value of the RIF. It was a mature programme that had proved its value. It stimulated regeneration and jobs and it was an example that was beginning to be followed by other authorities. The level of funding directed into the RIF demonstrated the Council's commitment to securing investment and stimulating the local economy. The RIF played an important role in securing and preparing sites that would then secure significant external investment.

The Committee indicated that it supported the allocation of £1.275 million of funds to balance the RIF forecast and proposed new funding allocations, as set out in Appendix D, and that authority be delegated to the Portfolio Holder for Resources to agree individual allocations from the £250K for feasibility studies or other predevelopment work.

RESOLVED that:-

- (a) The latest financial position for the Revolving Investment Fund (RIF) be noted.
- (b) The reallocation of £1.275m of funds to balance the RIF forecast and proposed new funding allocations detailed in Appendix D of the Assistant Director's report be agreed..
- (c) Authority to agree the individual allocations from the £250k proposed for feasibility studies or other pre-development work up to £50k be delegated to the Portfolio Holder for Resources.

REASONS

Cabinet agreed to create the RIF as a way to recycle capital receipts into profitable high income producing development schemes and regeneration / economic growth projects. The Assistant Director's report sets out the updated financial position of the RIF and proposes allocations of funding to specific projects.

ALTERNATIVE OPTIONS

It would be possible to consider different allocations to projects. However, the proposals in this report represent a considered view of the cost to deliver a number of projects and income budget targets. Further funding allocations are required to carry out feasibility studies if new income streams for the Council are to be generated in the future.

The Committee resolved under Section 100A(4) of the Local Government Act 1972 and in accordance with the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from

the meeting for the following item as they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

87. Minutes


RESOLVED that the not for publication extract from the minutes of the meeting held on 17 20 December 2018 be confirmed as a correct record.

The Committee resolved under Section 100A(4) of the Local Government Act 1972 and in accordance with the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from the meeting for the following item as they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

88. Revolving Investment Fund – Financial Update

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of a particular person, including the authority holding the information).

20 March 2019

Report of	Assistant Director Policy & Corporate	Author	Matthew Brown  01206 507348
Title	Future High Streets		
Wards affected	Castle Ward		

1. Executive Summary

- 1.1. This report provides a briefing on a forthcoming application to the Ministry of Housing, Communities and Local Government (MHCLG) 'Future High Streets' programme.
- 1.2. All lower tier UK local authorities were invited to submit Expressions of Interest (EOI) to this programme by 22nd March 2019. If successful at this stage we will then be invited to prepare Business Cases in support of the themes and interventions identified within our EOI.

2. Recommended Decision

- 2.1. To note the contents of this report; in particular the proposed Vision and Strategy, the list of key issues and evidence identified to support the development of this Strategy (described at section 5.8), and the strong support it has received from key partner organisations and groups with an interest in our Town Centre.
- 2.2. To delegate authority for the finalisation and submission of an Expression of Interest to Government on 22nd March 2019 to the Assistant Director, Policy and Corporate, in consultation with the Portfolio Holder for Business and Culture.
- 2.3. To agree to the development of related Business Cases and further stakeholder development and consultation (which would be funded through revenue drawn down from MHCLG as part of this programme) in the event that Colchester is successful at the EOI stage.

3. Reasons for Recommended Decision

- 3.1 'Future High Streets' gives Colchester an opportunity to secure financial and non-financial support from Government to ensure our town centre is fit for future purpose. It builds on the Council's 'Better Town Centre Plan – Colchester Town Centre Supplementary Planning Document' (2012) and the 'Our Colchester' (Business Improvement District) Vision and Business Plan (2018) identifying key themes and interventions needed to enhance the important Town Centre area.
- 3.2 The Vision and Strategy has been endorsed by key stakeholders including 'Our Colchester' (BID), Policy and Public Initiatives Panel, Colchester Creative Board, Safer Colchester Partnership, key organisations representing History and Heritage, Business and Enterprise, ECC & SE LEP, and wider Community Groups and Organisations that have an interest in the Town Centre.

4. Alternative Options

- 4.1 It will be possible to apply to other Funding Opportunities from Government as they arise, however 'Future High Streets', represents a significant and timely opportunity to develop focussed interventions that together will improve the sustainability and resilience of our town centre in the face of current and significant challenges.

5. Supporting Information

- 5.1. In December 2018, the Ministry of Housing, Communities and Local Government (MHCLG) launched the 'Future High Streets' programme;
<https://www.gov.uk/government/publications/future-high-streets-fund-call-forproposals>
- 5.2. The key attributes of this fund are as follows:
- The objective is to **renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability.**
 - £675m nationally is available to help town centres and high streets evolve and adapt to significant changes in how people live, shop, use services and spend their leisure time. Notionally this represents around £5m government investment to every large town in the UK and will be released via two competitive calls.
 - The prospectus identifies the following priority themes for investment:
 1. Investment in physical infrastructure,
 2. Acquisition and assembly of land including making improvements to the public realm,
 3. Improvements to transport access, traffic flow and circulation in the area,
 4. Supporting change of use (where appropriate) – housing delivery and densification
 5. Supporting adaptation of the high street in response to changing technology.
 - There is a further strand focusing on heritage high streets.
- 5.3. In response, CBC formed a small officer working group comprising key interests from Business, Community, Heritage, Creative and Cultural sectors as well as Transport to develop ideas that demonstrate a collective ambition for Colchester's Town Centre, as outlined in section 5.6 below.
- 5.4. The Vision prepared as the centrepiece of Colchester's EOI articulates how Colchester's distinctiveness, through its significant cultural and heritage assets can underpin and drive footfall to the town across all groups of visitors and users; including (but not limited to); retail, tourism, an attractive place to meet and socialise (including the night-time economy), a place to work and a place to learn.
- 5.5. Taking these themes, the 'Future High Streets' programme for Colchester identifies the broad types of intervention which will maintain and further boost the capacity, accessibility, diversity, attractiveness and long-term sustainability of the town centre as it responds to changes in consumer behaviours and needs; whilst also addressing the significant population growth in the Borough and wider catchment area to the town.
- 5.6. The Vision, Objective, Strategy and Illustrative Actions are expressed as follows:

Future High Streets - Colchester

AMBITION: Create a sustainable economic heart for a growing community

OBJECTIVE: Utilise the Town's key heritage assets and distinctiveness to unlock & enable;

STRATEGY:

1. Bringing key buildings and spaces back into use

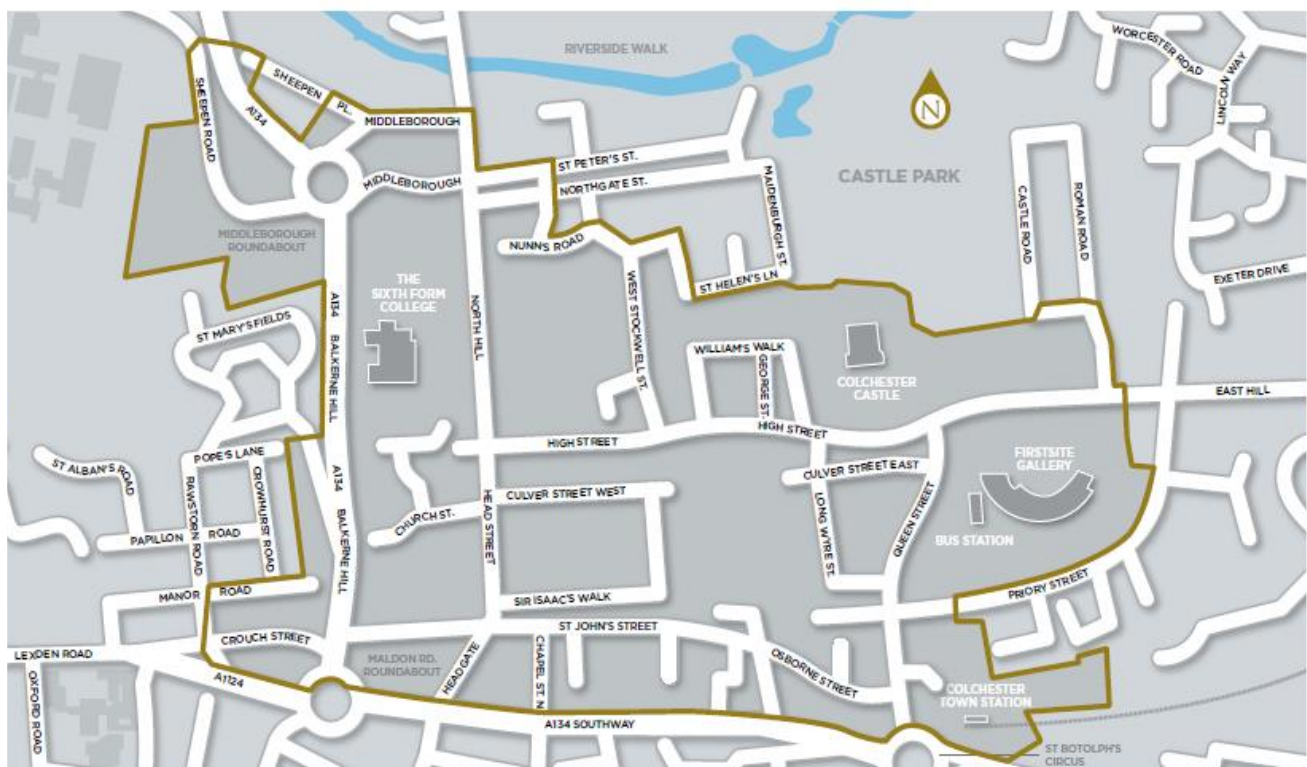
2. Enhancing accessibility and capacity; improving experience

3. Showcasing our rich cultural and heritage offer

ACTIONS:

Pop-up innovative meanwhile uses of empty retail units & other buildings that animate and engage	Improve travel experience including smart car parking and optimising active and sustainable travel	Develop more coherent signage, interpretation and prominence of heritage
Develop new and culturally enriching uses of buildings and assets in poor condition	Develop public realm to enhance perception, dwell time and safety	Maximise the footfall of existing cultural and heritage assets
Stimulate regeneration zones offering attractive, gigabit broadband enabled mixed uses including business and residential	Stimulate activities and events programmes to boost distinctiveness of Colchester's offer	Make heritage assets the centrepiece of vibrant, attractive regeneration schemes

5.7. For the purposes of this Expression of Interest, the geography is taken to be that of 'Our Colchester'; the Business Improvement District (BID) as follows:



- 5.8. Crucially, Colchester must present a strong evidence base of the challenges it faces which support the ambition and vision. For Colchester the positioning of key challenges and evidence will be based on halting the decline in several key areas, whilst ensuring the Town is able to fulfil its role supporting significant forecast population growth. Areas to focus on will include:
- Air quality, traffic congestion and journey time reliability
 - Crime and perception of crime in the Town Centre
 - Number of empty retail units in the Town Centre
 - Patterns and trends in the residential population in Castle Ward, and the Wards to the immediate South of the Town Centre
 - The demographic of visitors, employees and residents to help inform future requirements
 - Future retail trends and the implication for traditional town centres
 - Condition of certain heritage and historic assets, including buildings in the Town Centre which together could play a significant role in driving footfall, broadening the appeal and increasing the capacity of the Town Centre.
- 5.9. The themes outlined above and significant further analysis, research and consultation have been used to complete the full EOI, ensuring that it provides a compelling ambition for the Town Centre in line with the 'Future High Streets' programme prospectus.
- 5.10. Letters of support have been sought from key stakeholders in the Town Centre which will be appended with the Expression of Interest, including 'Our Colchester' (BID), Will Quince MP for Colchester, Colchester Ambassadors, CBC Leader and Deputy Leader and the three Ward Councillors representing Castle Ward, Creative Colchester Board, Colchester Archaeological Trust, Safer Colchester Partnership, key Community Groups including Residents Associations, University of Essex, SE LEP and ECC, Key Businesses in the Town Centre including the larger shopping centres and Fenwick, Colchester Business Enterprise Agency.

Next Steps

- 5.11. The Expression of Interest will be submitted to MHCLG on 22nd March 2019.
- 5.12. Following this, the estimated timescales for the following stages of the Programme are anticipated to be:
- Summer 2019: announcement on places moving to Phase 2 (business case development)
 - Late 2019: first round of final business cases for Phase 2 to be submitted by local authorities
 - Spring 2020: all remaining final business cases for Phase 2 to be submitted
 - Not before 2020: Second round of applications to the Future High Streets Fund opens

6. Strategic Plan References

- 6.1. Working with partners to create a shared vision for a vibrant town centre is identified as a priority in the CBC Strategic Plan.

7. Consultation and Publicity Considerations

- 7.1 Public and stakeholder consultation has taken place throughout this project and is ongoing. The next stages of this work (if EOI approved by Government) will include undertaking further consultation on the vision and strategy described in this report, and engaging partners notably 'Our Colchester' in developing business cases that will deliver interventions aligned to the proposed actions and themes set out in the Vision and Strategy and responding to challenges identified in the EOI.
- 7.2 If the Council progresses to subsequent stages of the programme a public and communication plan will be established to maximise publicity and awareness about the programme and to ensure optimum timely and effective engagement with communities and stakeholders.
- 7.3 Finally, where specific initiatives and interventions are developed, publicity and consultation will be considered for these projects as appropriate.
- 7.4 It is noted that Publicity will arise as a result of the report/consultation which may be positive in relation to taking a partnership approach to enhance the town centre but could be negative in relation to the 'challenges' being identified in the EOI. However it has been advised by MHCLG that there will be no formal requirement for EOI's to be published in full in the public domain.

8. Financial implications

- 8.1 There are no financial implications at this stage of the programme and the Expression of Interest is being developed within existing resources. If the CBC application progresses to subsequent stages of the programme (as outlined in section 5.12 above), business cases will be developed in line with Colchester Borough Council's established approaches, and funded through revenue drawn down from MHCLG as part of this programme.

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

- 9.1 Any schemes, initiatives and projects that may subsequently be developed if the bid is successful will require full consideration to be given to equality and diversity impacts. An Equality Impact Assessment will therefore be completed as part of any such projects, initially as part of the consultation phase.

10. Risk Management Implications

- 10.1 No implications are identified at this stage.

Appendices

None

Background Papers

Future High Streets Programme: (includes Supplementary Guidance on programme): <https://www.gov.uk/government/publications/future-highstreets->

[fund-call-for-proposals](#)

- Revitalising Town Centres (Local Government Association):
<https://www.local.gov.uk/revitalising-town-centres-handbook-councillership>
- Our Colchester (Business Improvement District) Vision:
<https://ourcolchester.co.uk/wp-content/uploads/2018/05/Our-Colchester-BIDBusiness-Plan-Web.pdf>
- 'The High Street Report' and 'High Street 2030 – Achieving Change':
<https://www.gov.uk/government/publications/the-high-street-report>
- Grimsey Review 2: <http://www.vanishinghighstreet.com/wpcontent/uploads/2018/07/GrimseyReview2.pdf>
- Colchester Town Centre Plan – Supplementary Planning Document:
<https://www.colchester.gov.uk/info/cbc-article/?catid=adoptedguidance&id=KA-022>