

Report of	Executive Director for Policy and Place	Author	Holly Brett ☎ 01206 508830 Mark Leonard ☎ 0330 053 8009
Title	Refurbishment of 5-6 St Nicholas Street (Jacks)		
Wards affected	Castle		

1. Executive Summary

- 1.1 The building known as “Jacks” (5-6 St Nicholas Street) has suffered from significant under investment over the years.
- 1.2 Members previously approved a scheme that would see the building converted into residential flats and a commercial retail unit. However when tenders were returned for the scheme outlined above they were at a level which would have made the project unviable and members therefore asked the project team to review alternative options
- 1.3 These alternative options now include an exciting opportunity for the Council to retain ownership but lease the building to a local town centre company which will enable that business to expand and remain within the Borough for the long term bringing increased vibrancy to the area

2. Recommended Decision

- 2.1 To agree the recommended option to carry out limited refurbishment of the building and then lease the building to a prospective tenant
- 2.2 To note the decision required in the confidential section of this report to approve the draft Heads of Terms for the proposed letting
- 2.3 To delegate authority to the Executive Director for Policy and Place in consultation with the Portfolio Holder for Commercial Services to procure and appoint professional services and a contractor to carry out the necessary works to the building

3. Reason for Recommended Decision

- 3.1 Jacks has suffered from underinvestment for many years and as a result is dilapidated and requires significant repairs to bring the building back into use.
- 3.2 This scheme would bring a local landmark building back into economic use and provide an ongoing income stream to the Council.
- 3.3 It will allow an existing locally based business to expand within the town and provide important investment into this area.

4. Alternative Options

4.1 The alternative options would be to:

- Do nothing; this is not a viable option as leaving the building in its current state presents a real risk to the council, the opportunity to generate income would be lost and the building would continue to decline as would its value. The declining building would also have a negative impact on its immediate surrounds at a time when considerable investment is being made from the private sector to improve the area.
- Sell the building in its current state: it is unlikely that the building would sell in its current state. It would also mean that the Council would have lost a landmark building in the town centre along with control over its future and the loss of potential income over the longer term
- Let the building in its current state: it is highly unlikely that anyone would wish to take a lease on the building in its current state as it has considerable repair and maintenance issues that need addressing, if a tenant could be found it would likely be at a very low rent, if any. Meaning that the Council would again see no return from the building.

5. Background Information

- 5.1 In 2016 the Council approved a business case and development proposals which would see the property converted from a single retail unit to a mixed use scheme with 7 residential units.
- 5.2 The project moved forward and a contractor was sought for the proposed scheme however the level of tender returns meant that the original proposals were no longer viable and the project team were asked to explore alternative options for this important building in Colchester. These options included the sale of the building, demolish the building and re build, long term lease disposal or continue with the original scheme
- 5.3 As part of this review, an opportunity has been explored which would see the building leased to a local business but with ownership retained by the Council. This option would require some works to be carried out to the property to get it into a lettable state and discussions have been ongoing with the prospective tenant to understand the scale of such works together with the scope of improvements which would be carried out by the tenant as part of their fit out.
- 5.4 Should the essential repair works not be carried out now the building will continue to decline along with its value, it will also mean that there will be a larger backlog of repairs in the future, this will also mean that the options for the building become very limited
- 5.5 We now have a set of plans that have enabled us to establish a cost for the works that the Council would be required to undertake, this includes both repairs to the fabric of the building, including the roof and the external walls and the works that would be required to bring that building to a standard that it could be let. We also know the level of works the tenant will carry out and this forms part of the heads of terms which are in the confidential section of this agenda.
- 5.6 The proposed scheme brings a dilapidated building back into economic use and creates a viable long term income stream to the Council

6. Equality, Diversity and Human Rights implications

- 6.1 Please see EQIA report here - <http://www.colchester.gov.uk/article/12743/Commercial-Services>

7. Strategic Plan References

- 7.1 The scheme will “Promote Colchester to attract further inward investment and additional businesses, providing greater and more diverse employment” by investing in an area of the town centre which is currently benefiting from private sector investment.
- 7.2 The preferred development is expected to “Promote Colchester’s heritage and wide ranging tourism attractions to enhance our reputation as a destination” by giving a new lease of life to a well-loved historical building within the town centre.

8. Consultation

- 8.1 As part of the last planning application the application was formally publicised by a site notice and consultation letters to neighbouring properties. No public comments were received. The current proposed refurbishment will require a further planning consent and licencing and will therefore be subject to additional consultation.

9. Publicity Considerations

- 9.1 Although the redevelopment of this building will be a relatively small project there has been strong public interest in plans for its future. A press release was written when the planning application was submitted in 2016 which resulted in an article in the Colchester Gazette. Further opportunities will be taken all the way through the refurbishment process to engage with the public, local historical groups and ward councillors.

10. Financial implications

- 10.1 The financial implications and case for investment are addressed in detail in the Part B report. The financial terms from the letting form part of the draft heads of terms within the confidential agenda.

11. Community Safety Implications

- 11.1 None specifically identified at this stage, although this will be reviewed in the planning and licencing process.

12. Health and Safety Implications

- 12.1 None specifically identified at this stage, although this will be reviewed in the planning and licencing process. In addition, any building works will be carried out subject to appropriate health and safety provisions.

13. Risk Management Implications

- 13.1 A risk register has been prepared for the scheme. The key identified risks are reported in the Part B report.