

Report of the Deputy Chief Executive

BEESTON TOWN CENTRE REDEVELOPMENT1. Purpose of report

To update members on progress on The Square Phase 2 in Beeston.

2. Background

The Council agreed to directly develop a cinema and food and beverage complex at the northern end of the site, with 132 flats to the south (now sold to a third party to build out), linked by public realm. The Deputy Chief Executive has delegated authority for all aspects of the project within the budget approved by Policy and Performance Committee on 3 July 2019, endorsed by the Full Council of 17 July 2019 and amended by Finance and Resources Committee on 11 February 2021.

3. Key Updates

- Leases for Units 2, 3 and 6 have now been completed and fitting-out works have commenced. Due to supply chain and labour difficulties, these units are unfortunately not now likely to be trading until early in 2022.
- Strong interest has been shown for unit 5 after DoughNotts decided not to proceed. Agents are undertaking negotiations and due diligence prior to making recommendations to the project board.
- At this stage, the project board would normally be stood down and control passed to the Estates Management team. However, now additional investment to bring the Argos Block up to a suitable standard for re-letting has been approved, the very effective cross-party project board will continue to provide governance over this additional work.
- Tenders for the Argos Block upgrade will be advertised from early November and it is hoped that work will start on site in February. Soft marketing has also commenced based on tender drawings to assist with minimising void periods.
- A report on the proposed public toilet provision will be brought to Finance and Resources Committee on 9 December as tendered costs have been significantly higher than anticipated.

4. Financial implications

The shell contract has been delivered on budget and the overall scheme remains on target to be self-financing, despite the impact of COVID-19 on rental values and the degree of support incoming tenants are requiring from their landlords to fitting-out bare premises. The main development budget will be closed-out in Q4 2021/2 once the contract retention and fitting-out contribution monies have been fully expended.

Recommendations

The Committee is asked to:

- 1. NOTE the report and any further verbal updates provided.**
- 2. RESOLVE to continue to delegate to the Deputy Chief Executive all key approvals, in consultation with the cross-party Project Board, and subject to the overall project cost remaining within the financial limits already set or subsequently changed by the Finance and Resources Committee and/or Full Council as appropriate.**

Background papers: Nil