

Report of the Interim Deputy Chief Executive

BEESTON TOWN CENTRE REDEVELOPMENT1. Purpose of report

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

2. Background

Committee will recall that the Council has agreed to act directly as developer for a cinema and food and beverage development at the northern end of the site, with a residential development to the south, linked by public realm. Planning consent was secured in September 2018 and the sale of the residential element was agreed in principle by Finance & Resources Committee in January 2019.

3. Key Updates

- Two good offers have been received from restaurant / café bar operators and negotiation of financial and specification details is continuing.
- The Project Board was due to meet on 28 January to finalise the cinema offer. An exempt item verbal update will be provided at this committee.
- The pre-qualification process for securing a contractor via an OJEU compliant tender has commenced and a short list of 4-6 potential construction partners is being compiled.
- The Council is now proceeding with detailed tender information (RIBA stage 4); notwithstanding that legally-binding agreements with pre-let tenants will take some weeks to secure.

4. Financial implications

Expenditure is in line with the overall project budget and within the Interim Deputy Chief Executive's delegated authority approved by this committee. Full details are given in the appendix.

Recommendations

The Committee is asked to NOTE this report and any further verbal updates provided; and to DELEGATE to the Interim Deputy Chief Executive the negotiation of final terms with the preferred cinema operator and food & beverage operators, in consultation with the three party leaders.

Background papers

Nil

Financial Implications

Policy and Performance Committee on 21 November 2017 unanimously delegated to the Interim Deputy Chief Executive responsibility for the financing of the Beeston Town Centre Development scheme (sometimes referred to as Beeston Square Phase 2).

2018/19

The capital programme 2018/19 includes £539,800 for the Beeston Town Centre Development scheme. Expenditure to 31 December 2018 amounted to £270,551. This includes £201,278 paid to Atkins Limited for site investigation, the planning application and elements of detailed design; and a planning fee (paid to the Council) of £25,535. There have also been payments totalling £16,638 to Cartwright Communications for public relations work, £9,500 to Jones Lang LaSalle for valuation work and £7,000 to Grant Thornton for undertaking a financial appraisal of a potential cinema operator.

It is anticipated that the planned expenditure of £539,800 will be financed using capital receipts of £111,300 and borrowing of £428,500. However, a report to the Finance and Resources Committee on 14 February states that a further £25,250 has been made available from the Nottinghamshire Pre-Development Fund (in addition to the £70,000 received in 2017/18 and used to finance expenditure in that year) and this will be used to assist with financing the expenditure incurred in 2018/19.

Approval will be sought to carry forward any of the £539,800 budget in the 2018/19 capital programme that is not spent in the year into 2019/20 when the 2018/19 final accounts are presented to the Members for approval.

2019/20 to 2021/22

The capital programme 2019/20 to 2021/22 includes a total of £10,436,500 for the scheme spread across each of the three years as follows:

	£
2019/20	2,436,500 (professional fees and initial construction)
2020/21	6,000,000 (construction and professional fees)
2021/22	2,000,000 (construction, fitting out and professional fees)

Finance and Resources Committee on 8 January 2019 considered bids for the sale of part of the site for residential development. Responsibility for concluding this has been delegated to the Interim Deputy Chief Executive in consultation with the three party leaders. The resulting capital receipt will be used to assist finance the anticipated cost of £10,436,500 set out above. .

A bid has been submitted to the D2N2 Local Enterprise Partnership for a financial contribution towards the cost of the scheme. The outcome of this is expected shortly and will be reported to Members once confirmed.

It is presently anticipated that the remaining capital costs over the next three years are met by borrowing.

Regular updates on the projected costs of the scheme and its financing (including any external contributions that may be received) will be presented to Members in due course.