

APPENDIX 2

Financial Implications

Policy and Performance Committee on 21 November 2017 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 included £539,800 for the Beeston Town Centre Development scheme. Expenditure for the year totalled £421,865. This included £282,795 paid to Atkins Limited for site investigation, work on the planning application and elements of detailed design. A planning fee of £25,535 was paid to the Council. There were also 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. There was also expenditure of £50,675 on the services of the Interim Regeneration Manager.

The expenditure of £421,865 was financed using grant income of £320,000 and borrowing of £101,865. The grant income was comprised of £70,000 received from the Nottinghamshire Pre-Development Fund and £250,000 received from the D2N2 Local Enterprise Partnership (LEP) towards the regeneration of Beeston Town Centre. The LEP grant is to be supplemented with a further £500,000 to be received in 2019/20.

Approval will be sought from Finance and Resources Committee on 11 July 2019 to carry forward the unspent £117,350 budget in the 2018/19 capital programme into 2019/20.

2019/20 to 2021/22

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

	£
2019/20	2,436,500
2020/21	6,000,000
2021/22	2,000,000

The budget of £2,436,500 in 2019/20 will be increased to £2,553,850 once approval for the carry forward is granted as set out above.

As reported to the Beeston Town Centre Project Board on 3 June 2019, it is proposed that the budget for the scheme be increased by a further £1.0m. This is to reflect a number of factors that were not envisaged at the initial viability assessment stage including a change to the cinema to include an additional screen and more seating, the need to re-locate a sub-station in the public realm and other structural changes designed to reduce the risk of and increase the speed of construction. The

increase in the scheme budget would need to be approved by Finance and Resources Committee and further approval is to be sought from Full Council.

Finance and Resources Committee on 8 January 2019 considered bids for the sale of part of the site for residential development and resolved to delegate responsibility for concluding this to the Interim Deputy Chief Executive in consultation with the three party leaders. The resulting capital receipt is to form part of the financing of the scheme. It is now apparent that this receipt will be significantly in excess of that originally envisaged to the extent that it will more than offset the additional cost of the scheme as set out above.

In addition, the resources available to finance the remaining expenditure on the scheme will be enhanced by the receipt of £500,000 in 2019/20 from the D2N2 LEP and by a further £25,250 that has been made available by the Nottinghamshire Pre-Development Fund.

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 further external contributions that may be received) will continue to be presented to Members in due course.