

Report of the Deputy Chief Executive

BEESTON TOWN CENTRE REDEVELOPMENT

1. 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 (to be sold to a third party to build out), linked by public realm. The Deputy Chief Executive has delegated authority for financial aspects of the project within the budget approved by Policy and Performance Committee on 3 July 2019 and endorsed by the Full Council of 17 July 2019.
3. Key Updates (some further details are given in the exempt appendix)
 - Reserved Matters planning consent was granted for the residential part on 20 May.
 - The purchaser did not complete on 4 May but has confirmed on-going commitment to the project. The Project Board will be considering a request to defer completion for six months to allow time for the market to settle as Covid-19 lockdown restrictions ease.
 - Despite an initial suspension of construction activity, Bowmer & Kirkland has re-started work on site in accordance with safe working recommendations of Public Health England and the Construction Leadership Council.
 - The programme is being affected by reduced productivity to achieve safe working, but there is a high degree of confidence that the building works will be complete and the public square opened by Christmas.
 - The Arc Cinema is about to tender for its fit-out works and remains committed to the project. Their works may be similarly affected depending on how long social distancing remains, so the current estimate for opening is late May next year.
 - As it is unlikely that cafe, bar and restaurant operators will be acquisitive for some time, the initial lettings focus will now be on meanwhile/'pop-up' uses to provide activity and footfall – helping to get the cinema off to the best start and also supporting existing businesses in Beeston town centre as they recover from lockdown.
4. Financial implications
 - Assuming that the residential sale completes at the agreed value this calendar year, the capital cost of the project remains within the approved budget.
 - Whilst it is still anticipated that the project will ultimately be self-financing, there is a risk of an initial revenue deficit in the first two years after opening due to expected delays in securing long-term lettings and lower initial rents as business emerge from the current extraordinary circumstances. Further details are contained in the exempt appendix.

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 & Resources Committee and/or Full Council as appropriate.

Background papers: nil