

General Purposes Committee

1. This report summarises the business undertaken at the General purposes Committee meeting held on 11 March 2021.

General Report of the meeting held on 11 March 2021

2. Councillor Alistair Bradley, Executive Member (Economic Development and Public Service Reform), and Rachel Salter, Service Lead (Development and Business) presented the report of the Director of Commercial Services which updates members as to the progress of the Alker Lane Development, including the conclusion of the procurement process for the appointment of a design and build contractor.
3. The report highlights an increase in the cost of the development following the conclusion of the procurement process. The increase in cost received from the tender submissions reflects the risk aversion within the market as a result of Covid-19 and Brexit. Despite this, we were informed that a lot of these costs had been offset in different ways, as outlined in the report. We were also advised that the proposed amendments would provide an overall improvement to the scheme return in the longer term.
4. We noted that the increased budget now also includes an additional provision of £50k for a potential settlement with the adjacent landowner, Primrose Holdings. The settlement relates to the point of connection for the foul drainage and also includes a strip of land between DOP and the adjacent site. Following queries, we were reassured that the commercial settlement of approximately £50k was a maximum figure and was considered the most appropriate option for all interested parties.
5. We considered the developments that had taken place since the Alker Lane Scheme was approved by Council in November 2019 and acknowledged the securing of a £2.25m grant from the central government 'Getting Building' fund which helped reduce the council's potential borrowing. With regards to securing the funds before the required deadline of end of March/early April 2022, we were reassured that the scheme was on track to be completed by February 2022 and there would be a phased delivery of units once they were completed.
6. The basis of the sales and letting strategy is also reviewed within the report, including the sales/rental mix and incentives. This will affect the sales income and therefore the external borrowing requirement, whilst trying to achieve the maximum annual revenue return. However, we were reassured that borrowing would remain within the approved budget.
7. We noted the progress of discussions with Scorpion Automotive and their potential incorporation into the scheme. We welcomed this and recognised how doing so would support a local business and help create jobs in the area. The delivery of the cycleway was also supported in line with developing the council's green agenda. Following discussion, we approved (unanimously) the recommendations within the report.

Recommendation

8. To note the report.

Councillor Aaron Beaver
Chair of the General Purposes Committee