

Minutes of **General Purposes Committee**

Meeting date **Thursday, 11 March 2021**

Members present: Councillor Aaron Beaver (Chair), Councillor
Gordon France (Vice-Chair) and Councillors Julia Berry,
Terry Brown, Mark Clifford, John Dalton, Graham Dunn,
Peter Gabbott, Keith Iddon, June Molyneaux, Paul Sloan,
John Walker and Neville Whitham

Officers: Mark Lester (Director (Commercial Services)),
Chris Moister (Director of Governance), Rachel Salter
(Service Lead - Development and Business) and
Nina Neisser (Democratic and Member Services Officer)

Apologies: Councillor Margaret Lees

Other Members: Councillor Alistair Bradley

21.GP.5 Minutes of meeting Wednesday, 16 September 2020 of General Purposes Committee

Decision: That the minutes of the General Purposes Committee held on 16 September 2020 be approved as a correct record for signature by the Chair.

21.GP.6 Declarations of Any Interests

There were no declarations of interest received.

21.GP.7 Exclusion of the Public and Press

Decision: that the press and public be excluded from the meeting for the consideration of the remaining item of business on the grounds that it will involve the disclosure of exempt information under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

21.GP.8 Alker Lane Development

Councillor Alistair Bradley, Executive Leader and 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 updated 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.

The report highlighted 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, Members were informed that a lot of these costs had been offset in different ways, as outlined in the report. Members were also advised that the proposed amendments would provide an overall improvement to the scheme return in the longer term.

The increased budget now also included an additional provision of £50k for a potential settlement with the adjacent landowner, Primrose Holdings. The settlement related to the point of connection for the foul drainage and also included a strip of land between DOP and the adjacent site. Following queries, Members were reassured that the commercial settlement of approximately £50k was a maximum figure and was considered the most appropriate option for all interested parties.

The Committee 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, Members 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.

The basis of the sales and letting strategy was also reviewed within the report, including the sales/rental mix and incentives. This would affect the sales income and therefore the external borrowing requirement, whilst trying to achieve the maximum annual revenue return. However, Members were reassured that borrowing would remain within the approved budget.

The Committee noted the progress of discussions with Scorpion Automotive and their potential incorporation into the scheme. Members 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.

Decision:

1. Approval to increase the budget from **£9,200,000** to **£11,443,153**, which includes the costs associated with delivering the Scorpion unit and the costs of acquiring Alker Lane, Bridge, Cycleway and the Mossfield Nature Reserve. Also, to acknowledge that these additional costs will be offset by the £430k BAE dowry payment and the Scorpion CAT B fit out recovery (£1.05m) and the £2.25m Getting building Fund grant.
2. Rental/Sale mix currently 50/50. Approve flexibility on the rental/sale mix provided the income does not drop below the forecasts included within this report.
3. Approval to submit a planning amendment to deliver the Scorpion Automotive building which will replace block A, subject to a prior agreement and commitment from Scorpion Automotive.
4. Approval to delegate the heads of terms with Scorpion Automotive to Executive Member (Resources).
5. Approval to delegate Agreement For Lease / Sale terms for other rental and sales to Executive Member (Resources).
6. Approval to delegate entering into any Agreements For Lease / Sale Terms to Director (Commercial), including any rent-free periods up to 3 months.

7. Approval to waive the call-in period for the approvals included in this report and approval to waive the call-in period for the Executive Member approval to appoint the contractor.

Chair

Date