

**BODY** CABINET

**DATE** 12 December 2007

**SUBJECT** Town Centre Replenishment Strategy

**REPORT OF** Director of Economy, Tourism and the Environment

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**Ward(s)** Devonshire

**Purpose** To seek Cabinet approval for the replenishment of emergency reserves used to repay Lend Lease Retail Ltd following termination of the cooperation agreement.

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**Recommendation**

1. That Cabinet note the content of the report
2. That Cabinet endorse the proposed replenishment strategy set out in Appendix B.

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## **1.0 Introduction**

- 1.1 This report to Cabinet follows the resolution made by Cabinet at its meeting on 19 September 2007, to terminate the cooperation agreement with Lend Lease Retail Ltd and repay all monies paid to the Council.
- 1.2 On 28 September a cheque for £210,931.42 was sent to Lend Lease Retail Ltd to repay, in full, all contributions covering the cost of the Councils external advice (Legal and Commercial) on the Town Centre
- 1.3 These funds were repaid using the Council's emergency reserves subject to a replenishment strategy identifying how the emergency fund will be repaid.

## **2.0 Background**

- 2.1 In 2005, following authorisation from Cabinet, the Council entered into a cooperation agreement with the owners of the Arndale Centre.
- 2.2 In January 2006, following changes to the composition of the private sector partners' structure, the Council renegotiated and entered into a new cooperation agreement with Lend Lease Retail Ltd.
- 2.3 As a condition of signing the new cooperation agreement, the Council required the developer to repay all the Councils costs up to that stage.

This covered the external costs of the negotiations on the previous co-operation agreement, including the production and consultation on the Planning Brief, which amounted to almost £114k.

- 2.4 The Council had, up to 2007/08, made budgetary provision to cover the Council's costs including external advisers for the Town Centre. However, following the successful renegotiation of the cooperation agreement in 2006, this budget was identified as no longer required.

### **3.0 Costs**

*Note: The appendices referred to below contain confidential (i.e. exempt) information and are therefore subject to a restricted circulation). Exempt information reason 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

- 3.1 Appendix A sets out the costs incurred between 2004 and September 2007 which amount to £322,936.40.
- 3.2 At the time the Cabinet resolution was made to terminate the Cooperation agreement, £210,931.42 of these cost had been reimbursed by Lend Lease Retail.
- 3.3 Appendix B sets out how the total cost will be met through Planning Delivery Grant (PDG) budget, this includes both existing and re profiled PDG allocations.
- 3.4 Appendix B also highlights the costs which should be recoverable by the Council following the new procurement exercise and subject to the successful appointment of a development partner.

### **4.0 Consultation**

- 4.1 Consultation has taken place with the S151 officer, and the Council's Monitoring and Planning Officers.

### **5.0 Conclusion**

- 5.1 Since the Cabinet resolution on 19 September, the Town Centre Project Manager and Planning Manager have undertaken a detailed exercise to review budgets and existing allocations.
- 5.2 This work has identified the funds which can be allocated to replenish the emergency reserves and to cover the remaining costs associated with work on the town centre up to 20 September.

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### **Background Papers:**

- Minutes of the Cabinet meeting held on 20 September 2007

To inspect or obtain copies of the background paper, please refer to the contact officer listed above.

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