



# EXECUTIVE

## BURNLEY TOWN HALL

Monday, 25th October, 2021 at 6.30 pm

### 52. Pioneer Place-Programme and construction

#### PURPOSE

To consider a report on the Pioneer Place Construction Programme and Costs.

Members of the Executive were informed that the 21<sup>st</sup> October 2021 Extraordinary Scrutiny Committee had endorsed the recommendations in the report, and had asked Lukman Patel to circulate a note of the contractual risks to all Councillors.

Members of the Executive noted the Scrutiny Committee's endorsement of the report, and also noted that Lukman Patel's note of the contractual risks had been circulated to all Councillors.

#### REASON FOR DECISION

The Council and its development partner Maple Grove Developments (MGD) have invested a considerable amount of time and resource into bringing the scheme to this stage, including securing the REEL cinema and a leading supermarket as tenants as well as securing £3m of funding from LCC and £3.68m from the government's Getting Building Fund administered by the LEP. Approval of this recommendation will ensure that the scheme continues to progress within the timescale required by the LEP funding.

A major Leisure based development in the Town Centre will bring new visitors to the town centre during the day and evening time, retain footfall, deliver new jobs and support the growth of the UCLAN campus. The development will diversify the town centre from a primarily retail lead offer and consolidate its leisure and evening economy offer. The development is a major strategic intervention in Burnley's Town Centre and Canalside Masterplan and has gained much support from strategic partners and the Business Improvement District.

As a result of the COVID pandemic and other global events the construction industry is facing significant challenges in terms of unprecedented cost increases. The result is an increase in scheme costs which mean that as it stands the cost cap condition and funding conditions cannot be met and the scheme cannot proceed. Despite the increased costs the financial business case shows that the scheme can still be delivered within the parameters agreed by the Executive and Full Council in October 2020.

Should the Executive decide not to proceed with the proposal the most likely eventuality is that the Development Agreement will be terminated on the basis that the cost cap and

funding conditions cannot be met. The financial implications of the abortive costs are set out in paragraph 35 of this report.

## DECISION

That the revised costs and financial business case set out in this report be approved and:

- (1) Recommends to Full Council to approve the additional funding as detailed in the Financial Implications Section of this report;
- (2) Recommends to Full Council that the revised capital programme is approved as set out in the Financial Implications Section of this report;
- (3) Delegates authority to the Strategic Head of Economy and Growth to negotiate and agree terms for variations to existing agreements and agree new agreements (as necessary) to give effect to this decision; and
- (4) Delegates authority to the Head of Legal & Democratic Services to complete all legal documents necessary to give effect to this decision