

Addendum

Cabinet recommends to Council that:

Cabinet have authority to approve amendments to the Council's Capital Programme in relation to the Forge Island leisure development, should this be necessary in order to secure best value for the taxpayer.

Detail:

The Council is progressing to deliver the redevelopment of Forge Island in line with the Town Centre Masterplan, with negotiations with private sector partners now reaching the final stages ahead of construction.

The Council's development partners have become aware of issues relating to the funding of the Scheme given the very recent volatility of the financial markets and the challenges this may now pose to private funders providing up-front capital within the requirements previously agreed by the Council. As a consequence, before finalising the funding arrangements, the Council is in conversation with the Developer, the Council's Finance Team and Legal Team to ensure that the changes to the financial market do not negatively impact on the delivery of the Project or unnecessarily increase the Council's liabilities.

A report will be presented to Cabinet on 17th October 2022 that will present the options available to facilitate delivery. This recommendation empowers Cabinet to choose from the full range of options for delivery including further supplementing or replacing what was expected to be privately raised capital with the Council's own borrowing and capital resources. Such changes could only be agreed by Cabinet if doing so would ensure that the Council can fulfil its best value duty by financing the scheme through the most cost effective mechanism.

The Cabinet decision is highly time sensitive due to external factors not within the control of the Council, and there are likely to be significant additional cost pressures should Cabinet not be in a position to decide on 17th October.