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26 August 2022

EXTRAORDINARY FULL COUNCIL

A Extraordinary meeting of the **Full Council** will be held on **Tuesday, 6th September, 2022** in the **Buckland Athletic Football Club, Kingskerswell Rd, Newton Abbot, TQ12 5JU** at **10.00 am**

PHIL SHEARS
Managing Director

Membership:

Councillors Austen, Bradford, Bullivant, Clarence (Vice-Chair), Colclough, Connett, Cook, D Cox, H Cox, Daws, Dewhirst, Eden, Evans, Foden, Goodman-Bradbury, Gribble, Haines, Hayes, Hocking, G Hook, J Hook, Jeffery, Jeffries, Jenks, Keeling, Kerswell, Khan, MacGregor, Morgan, Mullone, Nutley, Nuttall (Chair), Orme, Parker, Patch, Peart, J Petherick, L Petherick, Phipps, Purser, Rollason, Russell, Swain, Taylor, Thorne, Tume and Wrigley

Please Note: The public can view the live streaming of the meeting at [via our Youtube Page](#) with the exception where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

AGENDA

Part I

1. **Apologies for absence**
2. **Declarations of interest (if any)**

3. **Future High Street Fund - Capital budget increase to mitigate cost inflation related to the Newton Abbot Cinema construction and fit out** (Pages 3 - 6)

Part II: Item suggested for discussion with the press and public excluded

4. **Local Government (Access to Information) Act 1985 - Exclusion of Press and Public**

RESOLVED that under Section 100(A)(4) of the Local Government Act 1972, the Press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

5. **Future High Street Fund - Capital budget increase to mitigate cost inflation related to the Newton Abbot Cinema construction and fit out** (Pages 7 - 18)

If you would like this information in another format, please telephone 01626 361101 or e-mail info@teignbridge.gov.uk

**Teignbridge District Council
Meeting - Full Council
Date 06 September 2022
Part i**

Report Title: Future High Street Fund – capital budget increase to mitigate cost inflation related to the Newton Abbot Cinema construction and fit out

Purpose of Report

To seek approval for the additional capital budget required for the construction and fit out cost element of the Newton Abbot cinema project.

Recommendation

The Council RESOLVES to:

- (1) Approve the additional capital budget of up to £600,000 in relation to the Cinema construction and fit out costs.

Financial Implications

The financial implications are to agree a further £600,000 in relation to the Cinema construction and fit out which meet the minimum return requirements as per 2.1 below.

Martin Flitcroft – Head of Corporate Services
Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

No legal implications

Paul Woodhead - Head of Legal Services and Monitoring Officer
Email: paul.woodhead@teignbridge.gov.uk

Risk Assessment

Covered in part ii

Thomas E Phillips MRICS Estates Surveyor
Email: tom.phillips@teignbridge.gov.uk

Environmental/ Climate Change Implications

No Environmental/Climate Change Implications

Thomas E Phillips MRICS Estates Surveyor
Email: tom.phillips@teignbridge.gov.uk

Report Author

Thomas E Phillips MRICS Estates Surveyor
Email: tom.phillips@teignbridge.gov.uk

Executive Member

Councillor Nina Jeffries

Appendices/Background Papers

1. Introduction/Background

1.1 Members will recall that a key element of the successful Future High Street Fund application is to deliver a new four screen cinema in Newton Abbot Town Centre.

1.2 The project was structured such that the District Council constructs a building shell which is then handed over to the end user, Scott Cinemas, for them to complete the fitout.

1.3 Due to general cost inflation which has occurred as a consequence of external national and international factors there has been increasing pressures on costs and budgets.

1.4 Whilst original budgets allowed for both cost inflation and contingencies, it was not foreseen that inflation would escalate to the extent that it has.

1.5 Officers and the design team consultants have sought wherever possible to bring costs down in a way that avoids any noticeable detriment to the end product.

1.6 However, given the economic and inflationary situation, the Council will need to increase the amount of capital it commits to the scheme in order for the cinema to be delivered.

2. Implications, Risk Management and Climate Change Impact

2.1 Financial

Discussed in part ii. The requirement is to incur a further £600,000 in the Cinema project whilst maintaining the minimum return required.

2.2 Legal

Discussed in part ii.

2.3 Risks

Discussed in part ii.

2.4 Environmental/Climate Change Impact

No adverse impact

3. Alternative Options

3.1 The FHSF grant money is fully committed and there is no current avenue available to Local Authorities to alleviate the inflationary cost pressures being widely experienced across the Country.

3.2 The cinema element of TDC's FHSF project is considered to be the key 'transformational' part of the scheme and without a further capital contribution from the Council the cinema project cannot proceed.

3.3 The withdrawal of the cinema element would be considered to be a major amendment to the wider project. Consequently, there is a real risk that the project would then not be deemed to be of significant enough scale and the funding would be withdrawn.

3.4 Monies paid via the FHSF must be spent by end March 2024, which leaves insufficient time to explore alternative schemes. Major changes to the current scheme must go through a Project Adjustment process which in itself would take in excess of two months.

4. Conclusion

4.1 The external inflationary cost environment has exceeded all reasonable expectations and can no longer be off-set by scheme specific cost savings or contingencies.

4.2 A further capital contribution is deemed vital to enable the cinema scheme to proceed any further. The consequence of not committing the additional capital will place the cinema project in serious jeopardy and at high risk of being undeliverable and will cause the entire FHSF project and its transformational impact on Newton Abbot and its surrounds to become a missed opportunity.