

SCRUTINY

1 MARCH 2021

3 Rivers Developments Limited – Project Appraisal (Bampton)

Cabinet Members: Councillor Bob Evans – Deputy Leader and Housing & Property
Councillor Andrew Moore – Finance

Responsible Officers: Deputy Chief Executive (S151) – Andrew Jarrett

Reason for Report: To provide Scrutiny with the opportunity to review the 3 Rivers Developments Limited's business case for the Bampton development (included within the recently approved company Business Plan) prior to it being considered by Cabinet.

RECOMMENDATION: That the Committee reviews the attached documents and then passes any relevant comments/observations to the Cabinet for consideration.

Relationship to Corporate Plan: 3 Rivers Developments Limited's (3Rivers) primary objective is to generate future returns in order to grow the business and to recycle monies made back to the Council to mitigate some of the cuts in Government funding.

Financial Implications: The Council has a duty to obtain value for money. All financial interactions between the Council and 3Rivers are carried out at commercially evidenced rates and subject to individual loan agreements.

Legal Implications: None to this report. However, this report is prepared in accordance with the Shareholder Agreement, Company's Memorandum and Articles of Association and currently Approved Business Plan.

Risk Assessment: Detailed within the report.

Equality impact assessment: No equality issues identified for this report.

Impact on climate change: 3Rivers is a commercial organisation and where deliverable sustainable options are available they are utilised; however, as a commercial organisation it is acknowledged that where there is a significant cost differential and what the market will sustain that this plays heavily in the choices made.

1.0 Introduction

1.1 At the previous meeting of this Committee it was decided that it would review the Bampton site business case prior to it being considered by Cabinet.

1.2 When the Cabinet approved the annual company business plan it included budgetary provision for the attached project. It has also been agreed at Cabinet in July 2020 that any development with an estimated build cost in

excess of £1m must be brought to Cabinet for consideration. This consideration would be based on the review of a business case report received from the company.

2.0 Business Case - Bampton

- 2.1 Attached to this report is the confidential company business case for a residential development of 9 market houses in Bampton. This overall appraisal includes estimates regarding: scheme build costs, contingency sums, sales predictions, overall project returns, risk issues, etc. As members can see from the attached report, all project costs and revenues have been produced with the benefit of assistance from professional organisations operating with local market knowledge/experience.
- 2.2 The Council's Deputy Chief Executive (S151) has reviewed the company's business case and all the attached paperwork and is assured that all estimated project costs and potential receipts have been produced to the best of the company's ability and has utilised external advice where appropriate.

3.0 Conclusion

- 3.1 Members will be aware that this project is included in the company's business plan for 2021/22.

Contact for more information: Andrew Jarrett, Deputy Chief Executive

Circulation of the report: Leadership Team and Cabinet