

Decision under Delegated Powers

Officer Requesting Decision

Regeneration and Economic Development Officer

Officer Making the Decision

Justin Henry
Strategic Director of Commercial Development, Assets and Leisure

Recommendation

That the expiry of the license to occupy the Southfields Extension Carpark, granted to FITZGERALD CONTRACTORS LIMITED by Charnwood Borough Council on 1 February 2021, be extended 30 June 2022.

Reason

Fitzgerald Contractors Limited are the principal contractor appointed to carry out the Bedford Square Public realm improvements. Project delivery timelines have been extended due to a number of factors. The site in question is used by the contractor as a staging and storage area for those works, and the contractor's occupation of the site is agreed under license. In order to support the current use of the site and the extended completion date of the works, this license has been extended.

Authority for Decision

In the Council's Constitution, Part 2a Delegations to Officers, Section 8.3, "Delegation to the Strategic Director (Commercial Development, Assets and Leisure)", para 13, the decision maker has the power "to select tenants and licensees and to grant, vary and terminate tenancies and licences of industrial units, compounds and workspaces".

Decision and Date

Approved on 28 October 2021



Justin Henry –
Strategic Director – Commercial Development, Assets and Leisure

Background

The Principal Contractor appointed by the Council to deliver the construction phase of the Bedford Square Gateway Project required access to be provided to a compound and materials storage area in close vicinity to the construction site. Following an options analysis, the Southfield Road (extension) car park was identified as the most appropriate location. A Licence was granted to Fitzgerald Contractors Limited on 5th February 2021, to enable the contractor to undertake works on the Southfield Road (extension) car park and to occupy the compound to be installed on the site. The Licence period covered 1st February 2021 to 31st October 2021.

In view of a number of unexpected issues arising on site during the construction works, the construction completion date has had to be extended from 29 October 2021 to 19 April 2022. In order for Fitzgerald to be able to continue to deliver the construction works until the new completion date, they require the ability to occupy the compound throughout this extended period.

Clause 7 of the Licence permits an extension of the Licence Period by agreement in writing between the parties.

Financial Implications

The financial implications of the lease itself are negligible because legal and survey works are carried out in house.

The lease states that the occupying contractor returns the site to a state as detailed in the site survey in Jan 2021. Therefore, there should not be any maintenance implications.

Finance 21/22: The finance budget for 2021/22 has been set with the main budgets lines showing a maintenance budget of approximately £4.4k and an income budget of £66.2k. This includes an adjustment already made in the Medium Term Financial Strategy. As the site is occupied for the BSGP contractors then there will be no income in this financial year and no maintenance programme carried out.

Therefore, there will be a **net £61.8k deficit on the budget for 21/22.**

As this is a CBC project, there is no re-charge to apply for the loss on the car park.

[Note there are also losses of parking income on Beehive Lane car park as a result of the free parking promotions associated with the BSGP. These have been reported in a separate Delegated Decision. The estimated loss of income in 2021/22 is approximately £58k].

Income deficits for 2021/22 will be reported on the financial monitoring reports.

Finance 22/23 - Further extending the lease to occupy the Southfield Road Extension car park and closing the car park to the public will lead to a similar pro-rata deficit for 22/23 i.e 4 months with no income and also no expenditure.

Net estimate £19k deficit – a service pressure will be required.

Risk Management

There are no significant risks arising from this decision.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
The car park is damaged by the construction compound plant, traffic or materials	Likely (3)	Significant (2)	Moderate (6)	A condition survey will be recorded prior to the extension being granted. A requirement for the release will be to return the car park to the condition in the record.
The contractor's materials and/or equipment is damaged whilst stored at this site	Unlikely (2)	Significant (2)	Low (4)	The contractor, Fitzgerald Contractors Limited, will be required to manage all risks as stipulated in the Licence Agreement.
Third Party property damage/injury during the period that the contractors are using the premises	Unlikely (2)	Significant (2)	Low (4)	The site will be fully handed over to Fitzgerald for the period in question, who will be responsible for securing the site compound and protecting against damage or injury to third parties or their own staff. The contractor will be required to manage all risks on the site (insured and uninsured).
Members of the public accessing this site	Unlikely (2)	Significant (2)	Low (4)	The site compound will have a Heras fence perimeter around with double clips to prevent any unauthorised access and CCTV will be on site to monitor the car park remotely when no-one is on site.

Key Decision:

Yes

Background papers: Compound Licence Southfields Road (Extension),
Loughborough, 5 February 2021