



Officer Decision Record

1. Subject and details of the matter

The Council is proposing to enter into an agreement with the GLLEP and Wykeland, to act as Accountable Body for the Europarc Food Enterprise Zone - New Build Project to enable them to receive and administer the grant funding.

The Council working in partnership with Wykeland Properties Ltd has secured grant funding from the Greater Lincolnshire Local Enterprise Partnership (GLLEP) Single Local Growth Fund (SLGF) to enable Wykeland to construct two speculative business units on the Europarc site, the first for a number of years.

They will build two new factory units, 30,000 sq ft and 15,000 sq ft. to food grade standards. NELC will have no requirement to commit any of its own funds as the project expenditure - £3,658,000 in total will be financed with £1,800,000 of GLLEP funds and £1,858,000 of private investment from Wykeland. It is expected that once complete (in 2021) this project will lead to the creation of 74 new jobs.

North East Lincolnshire's industrial property market has been subject to market failure since the early 1990s. Rental levels remain comparatively depressed and as a result, development costs typically exceed completed development values making speculative builds commercially unviable without grant subsidy. The NELC SHIP programme incorporates the Enterprise Zone sites and seeks to ensure that the right conditions for business growth are provided this project therefore will directly address this priority in offering new business premises to expanding businesses.

2. Is it a Key Decision as defined in the Constitution?

No.

We are relying upon Recommendation 2 of the 13th January 2016 Cabinet Report delegating authority to the Director of Economy and Growth in conjunction with the Portfolio Holder for Regeneration, Skill and Enterprise to undertake all actions necessary to secure the implementation of SHIP including negotiation and delivery of joint ventures with private operators.

3. Details of Decision

To receive Greater Lincolnshire LEP (GLLEP) Single Local Growth Fund of up to £1,800,000 by signing a Grant Agreement with Lincolnshire County Council on behalf of the GLLEP.

To sign a 'back to back' Grant Agreement with Wykeland Properties Ltd.

To support the delivery of the project in accordance with the above agreements

The decision is in accordance with the delegation established in relation to the SHIP programme through the Cabinet approval of 13th January 2016 (Cabinet Decision Notice DN.94).

4. Is it an Urgent Decision? If yes, specify the reasons for urgency

No

5. Anticipated outcome(s)

The project will see two new factory units built in North East Lincolnshire and once completed in 2021, will see a minimum of 74 new local job opportunities created in a sector that continues to create job opportunities at all skill levels thereby offering opportunities for the widest range of local people. The occupation of these units will represent either the growth of existing businesses or the opportunity to attract inward investment from businesses outside the area. In both cases this investment will create down-stream supply chain opportunities for other local businesses particularly in the local food cluster.

The creation of 45,000 Sq Ft of new business space will increase the amount of NNDR (Business Rates) collected in the borough. Initial estimates suggest that both units, when fully let, could generate up to £90,000 of annual business rate income to the Council.

6. Details of any alternative options considered and rejected by the officer when making the decision

Option 1 – No granting funding

Without an injection of public sector funding this project would not proceed as the development appraisals demonstrate the profit margins are too low due to low market values.

Option 2 – A reduced grant award

If limited funds were available the intermediate option would be to reduce the project scale e.g. building only one of the proposed buildings rather than both. This will clearly result in fewer new jobs and lower GVA outputs. Building only one unit will make less of a positive impact on the demand for these types of business units and restrict the potential growth of this sector. It could also stall the project as it likely to become a less attractive proposition for the developer.

Option 3 – Grant funding to meet the funding gap for 2 new units (preferred option)

The preferred option would be to progress the construction of both proposed units utilising the LEP grant to meet the funding gap identified in the development appraisal. This would address the demands of the market, attract new investment, job growth and achieve a GVA uplift of £4,060,000.

7. Background documents considered:

SLGF bid and supporting documents.
GLLEP grant Agreement and NELC / Wykeland Properties Ltd Grant Agreement.

**8. Does the taking of the decision include consideration of Exempt information?
If yes, specify the relevant paragraph of Schedule 12A and the reasons**

N/A

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

N/A

10. Monitoring Officer Comments
(Monitoring Officer or Deputy Monitoring Officer)

The appointment of the Council as Accountable Body as outlined in this decision record will be achieved through a contractual relationship and signature of a funding contract.

Legal Service colleagues are available to advise on and support the completion and signature of the funding contract and ensure that risk to the Council is fully understood and mitigated through appropriate governance.

The appointment to Accountable Body status will enable the Council to be directly and indirectly involved in the delivery of the objectives stated within this record.

11. Section 151 Officer Comments
(Deputy S151 Officer or nominee)

There is no requirement for Council funding towards this proposed scheme.

The Council will ultimately benefit from the business rates generated from the occupation of the new build.

12. Human Resource Comments
(Strategic Workforce Lead or nominee)

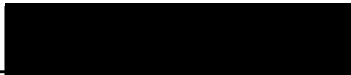
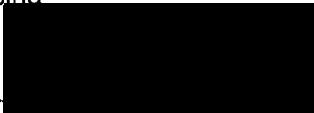
There are no Human Resource implications arising from this report.

13. Risk Assessment (In accordance with the Report Writing Guide)

There is no direct financial cost to the Council as the project will be funded through the GLLEP grant programme and Wykeland's own funds. Any overrun of costs will be met by Wykeland. Wykeland have had considerable, recent experience of delivering multi-million pound capital developments across the Humber. Wykeland's most recent company accounts indicate that they have a strongly positive balance sheet and there is a substantial amount of cash available for investment in the project. On this basis the cashflow risk associated with the project is very low.

A Grant Agreement has been prepared by NELC legal team, between NELC and Wykeland which mirrors the terms and conditions of the LEPs grant agreement with the Council, thereby passing any associated risks onto Wykeland.

NELC will act as Accountable Body for the funds, with a project manager appointed from within the Economy and Growth Team who will monitor progress and make claims to the LEP quarterly. Wykeland will make quarterly claims providing evidence of eligible expenditure to NELC who will then make the necessary checks before drawing down grant funding from the LEP. The grant instalments will then be passed onto Wykeland as the end recipient. State Aid compliance has been fully addressed with advice provided by DWF LLP and procurement of all contractors will be carried out by Wykeland in accordance with the terms of their grant agreement.

14. Decision maker(s)	<p>Name: Angela Blake</p> <p>Title: Director of Economy and Growth</p> <p>Signed: </p> <p>Dated: 17/1/19</p>
15. Consultation carried out with Portfolio Holder(s):	<p>Name: Cllr P Wheatley</p> <p>Title: Portfolio Holder for Regeneration, Assets, Skills and Housing</p> <p> 22.1.19</p> <p>Signed and Dated</p>
16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor	<p>Name:</p> <p>Title:</p> <p>Signed and Dated</p>



Officer Decision Record

1. Subject and details of the matter

The Council is proposing to enter into an agreement with Hull City Council to act as a delivery partner in the 'Humber Business Growth Hub - Finance for Growth' project.

The project will provide specialist funding advice for businesses seeking grants or commercial lending to support business growth. The project will be funded through the European Regional Development Fund. Hull City Council will act as Accountable Body for the funding and will contract with the Ministry for Housing, Communities and Local Government to deliver the project.

The Council will employ two business advisors on fixed term contracts over the period to May 2021. The advisors will be funded through ERDF grant with match funding being provided through a range of sources including 'in kind' match from Council staff and private sector investment. The Council will receive a maximum of £324,000 of grant funding over this period to fund the advisors and related project costs. In return, the advisors will be expected to contribute to programme-wide output targets.

The advisors will work closely with existing Humber Growth Hub staff and the Council's Investment Hub project to ensure that effective referral/signposting arrangements are in place. The advisors will cover North and North East Lincolnshire. North Lincolnshire Council is to employ a specialist IT advisor covering the same geography for an IT based project under reciprocal arrangements developed through the Humber Growth Hub. The advisors will not provide formal financial advice that would fall under the regulatory regime operated by the Financial Conduct Authority.

2. Is it a Key Decision as defined in the Constitution?

No

3. Details of Decision

To receive ERDF grant of up to £324,000.

To sign the Partnership Agreement/Service Level Agreement with Hull City Council.

To deliver the project in accordance with the above agreements.

4. Is it an Urgent Decision ? If yes, specify the reasons for urgency
No
5. Anticipated outcome(s)
The project will increase access to specialist funding advice available to businesses across Northern Lincolnshire. It will complement and enhance the business support provision already available through the Growth Hub and Investment Hub. Participation in the Humber-wide project will also deliver reputational benefits for the Council and enhance stakeholder relationships with key partners.
6. Details of any alternative options considered and rejected by the officer when making the decision
The Council could have determined not to participate in the programme. This would have had a negative reputational impacts for the Council; would have placed local businesses at a competitive disadvantage as they would not have access to the specialist advice delivered through the programme; and may have resulted in the loss of ERDF funding to the Humber.
7. Background documents considered:
ERDF bid and partnership agreement/SLA.
8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons
N/a
9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)
N/a
10. Monitoring Officer Comments (Monitoring Officer or Deputy Monitoring Officer)
<p>The project has been supported by Legal Service colleagues who have ensured that the contractual documentation between the Council and Hull City Council are in terms which protect the Council's interests and ensure an appropriate level of risk sharing. Further support will be available as the project develops.</p> <p>There are no concerns around the settled terms of the proposed Service Level Agreement.</p>
11. Section 151 Officer Comments (Deputy S151 Officer or nominee)
<p>As outlined within the ODR, there is no direct financial cost to the Council as the project is fully funded from ERDF grant and related match funding.</p> <p>There is a low risk of cost overruns but mitigating actions are in place to manage this and minimise the risk. The four authorities are jointly liable for meeting any unfunded costs, should they materialise.</p>

(Strategic Workforce Lead or nominee)

Specific HR advice will be provided in respect of remuneration levels, process, and contractual arrangements in accordance with the recommendations in this report and to comply with the Council's Constitution, legislation and the Council's policies and procedures.

These risks will be mitigated by both North East Lincolnshire Council and Hull City Council through prudent financial management of the project, regular budget monitoring and adopting programme-level cost management where required.

The business advisor posts are both customer-facing roles who will be representing the authority in engaging with businesses and other key stakeholders. This could generate a modest reputational risk but this will be mitigated by employing people with appropriate skills and experience.

Name:

Title: Director of Economy and Growth

Signed:

Dated: 25/1/19

Name: Councillor Peter Wheatley

Title: Portfolio Holder Regeneration, Housing, Assets and Skills ,

Signed and Dated

Name: _____

Title:

Signed and Dated



Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)
Delegated decision of the award of the Special Education Needs and Disability Advice, Information and Support Service (SENDIASS) contract as approved in the Cabinet meeting on 14 th March 2018.
2. Is it a Key Decision as defined in the Constitution?
YES
3. Details of Decision
<p>Approval to procure the service was given at a Cabinet meeting on 14th March 2018 with delegation of award to the Director of Children's Services in consultation with the Portfolio Holder for Children and Young People.</p> <p>This is a statutory service that:</p> <ul style="list-style-type: none"> • Is neutral and independent from the Local Authority. • Provides independent advice and support for parents/ carers whose children have special educational needs in order to empower and enable parents/ carers to play an informed and active role in their child's education. • Ensures that the parents/ carers of children with special education needs have access to information, advice and guidance so they can make informed decisions. • Tries to find resolution to the problems, barriers and issues presented by parents/ carers and empowers parents/ carers and prevent any escalation of disagreement between schools, the Local Authority and parents/carers. • The service as a neutral party will support and/or challenge the parents/ carers and/or schools in order to facilitate resolutions to the problems or issues raised. Its aim is solution focussed and its function is a facilitating and conciliatory one. <p>Two bids were received for the tender and the successful provider submitted the Most Economically Advantageous Tender.</p>
4. Is it an Urgent Decision? If yes, specify the reasons for urgency

Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.
No.
5. Anticipated outcome(s)
The award of a contract to the successful bidder.
6. Details of any alternative options considered and rejected by the officer when making the decision
<p>Joint commissioning approach with North Lincolnshire Council (NLC)</p> <p>This option was considered but it was concluded that the small budget, models of delivery, and the differing education/schools environments in both boroughs as well as the need for a local presence, meant there was little opportunity or common ground on which to base a joint commissioning at this point. However, we remain in contact with NLC for future exercises when co-commissioning may prove viable.</p> <p>Providing the Service in-house</p> <p>This option was considered and discarded at a very early stage for SENDIASS as options analysis concluded providing SENDIASS in-house would be a conflict of interest. The service must operate independently of NELC or any NELC commissioned service</p>
7. Background documents considered:
<p>Cabinet report from 14th March 2018.</p> <p>SEND Code of Practice 2015 (section 3)</p>
8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons
NO
9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)
Not applicable
10. Monitoring Officer Comments (Monitoring Officer or Deputy Monitoring Officer)
The above anticipated decision is consistent with the previous decision and delegations of Cabinet (14 th March 2018) and the process followed is compliant with the Contract Procedure Rules and Public Contracts Regulations

11. Section 151 Officer Comments
(Deputy S151 Officer or nominee)

An amount of £78k per annum was paid in respect of the old contract. This sum has been retained as part of the annual budget and as such the new proposed cost will not result in an additional cost pressure for the Council.

12. Human Resource Comments
(Strategic Workforce Lead or nominee)

There are no direct HR implications contained within this report

13. Risk Assessment (in accordance with the Report Writing Guide)

The risk of not procuring a SENDIASS service is that the Council would not be meeting its regulatory duties and would damage its reputation. It would also mean that parents, carers, children and young people would not be able to access the statutory support they need which would impact on the effectiveness of the council's SEND services and in turn impact the Council's ability to meet its strategic priorities and objectives relating to SEND. It would also mean a sharp increase in the number of SEND tribunals.

14. Decision maker(s)

Name: Steve Kay

Title: Director of Children's Services

Signed: _____

Dated: _____

15. Consultation carried out with Portfolio Holder(s):

KATHRYN
Name: Cllr Katherine Wheatley

Title: Portfolio holder for Children, Young People and Education

Signed and Dated _____

16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

Name: not applicable

Title: _____

Signed and Dated _____

Officer Decision Record – Property Transaction

1. Subject and details of the matter

Peoples Park Lodge, Park Drive, Grimsby, DN32 0EQ (the 'Property')

The Property (as outlined red on the plan attached at Appendix One) is situated within the curtilage of Peoples Park and is held on Trust by the Council.

The Lodge has remained vacant since 2007 and since this time several options have been explored including utilising the property for community use; general disposal or if these proved unsuccessful, demolition.

Consultation with the adjoining tenants, NAVIGO, proved unsuccessful and there was no appetite from them to take on the Lodge for community use.

As the property is located on a Park held on Trust by the Council, a view had to be sought from the Charity Commission. Prior to this a Public Notice had to be issued seeking any representations to the proposal to dispose for community or general use. There were no responses received and the Charity Commission were approached and confirmed that should a community use not be available, the preferred option would be disposal on the open market. They confirmed there was no need to seek approval to dispose of the subject Property given its position and impact to the Park.

In addition, the land was previously gifted by the Heneage Estate, and is therefore subject to an existing covenant that had to be varied. Heads of Terms were negotiated and agreed for the covenant variation (as per the below) and a premium was paid at £5,000 (five thousand pounds).

"That the land and buildings known as People's Park Lodge as shown verged red on the attached plan NLPG 11070468 dated 08/07/2010 shall no longer be subject to the provisions of Clause 5 requiring the Council to maintain repair remove rebuild alter and improve as one of the buildings erected under the provisions of that Clause and also that People's Park Lodge shall no longer be subject to the restrictions as to user as contained at Clause 9 of the Conveyance and will be removed from the requirement to be kept and maintained as an open pleasure-ground as a part of People's Park."

The Heneage Estate confirmed that approval to the disposal was subject to adhering to certain sections of the Charities Act (2011) and a condition that the capital receipt be used towards investment within the Park.

The investment will be used in such areas as:

- Resurfacing under all the play equipment;
- Fitting all new perimeter post that will not decay in galvanised steel powder coated. Total number of posts 724;
- Resurfacing of breed and stone paths around the lake area;
- Refurbishment of the band stand Painting and cleaning.

The negotiations and approvals with external bodies took some time to complete and whilst working through these, the property was placed on the open market to explore the possibility of disposal for both community and non-community use. The Council's retained agent were instructed to market the Property and as a result five offers were received. All offers were on a freehold basis to refurbish the Property as a residential dwelling.

The five offers received as follows:

PURCHASER	OFFER	TYPE	PROOF OF FUNDS RECEIVED	SOLICITOR APPOINTED
Offer 1	£83,000	Cash unconditional	Yes	Yes
Offer 2	£72,750	Cash unconditional	No (claimed not necessary)	Yes
Offer 3	£70,000	Cash unconditional	No	Not Advised
Offer 4	£63,960	Cash unconditional on confirmation of site boundary	Yes	Yes
Offer 5	£60,000	Cash unconditional	Yes	Yes

The offers were discussed with the agent and they have recommended that Offer 1 is accepted. Offer 1 are a limited company specialising in property development.

2. Details of Decision

Peoples Park Lodge is to be sold to Offer 1 generating a capital receipt of £83,000 (less costs of sale) in accordance with the recommendations and valuation of ENGIE Services Limited ("ENGIE"). The negotiated sale price has been confirmed as representing market value. As per the proposed deed of variation to the restrictive covenant the estimated capital receipt of £83,000 (less costs of sale and deed of variation costs) is required to be used for improvements to People's Park and not credited to general Council reserves.

3. Is it a Key Decision as defined in the Constitution?

No – the decision:

- will result in a capital receipt below the threshold definition as a Key Decision;
- relates to and impacts solely on one Ward (Park Ward);
- is not significant in terms of the number of residents / service users that will be affected in the ward;
- is not likely to result in substantial public interest; and
- will not incur a significant social, economic or environmental risk.

4. Has the principle of the disposal been approved by Cabinet

No.

5. Is it an Urgent Decision? If yes, specify the reasons for urgency

N/A – it is not a Key Decision needed to be made urgently. However there is a risk the potential purchaser may withdraw if this decision is not made quickly.

6. Anticipated outcome(s)

The freehold disposal of the Property to Offer 1 for £83,000 (less costs of sale) and the capital receipt (less costs of sale) are used to invest in the adjacent People's Park.

7. Have the Premises been marketed by advertising or by auction? (if not why not)

Yes.

8. Background documents considered:

Report and Valuation - Peoples Park Lodge February 2019.pdf

9. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

10. Monitoring Officer Comments

In disposing of property the Council has a statutory duty to obtain the best consideration reasonably obtainable.

The Council has gone through an open and competitive marketing process and has favoured the party offering the highest unconditional bid. The Council has further assurance from its regeneration

partner, Engie, that the bid reflects market value.

Therefore there is no legal bar to the disposal, noting that as with all such disposals, it will be on the basis of the proposed buyer conducting its own due diligence.

The redirection of the capital receipt as a result of a negotiated release of a problematic covenant seems to be a commercially reasonable with the immediately adjacent park benefitting.

11. Section 151 Officer Comments

As outlined above, the Council will receive a capital receipt of £83,000 less the costs of disposal and cost of deed of variation (£5,000).

The use of the capital receipt will be restricted to capital investment within People's Park.

12. Human Resource Comments

There are no direct HR impacts contained within this report.

13. Risk Assessment (in accordance with the Report Writing Guide)

Crime and Disorder – The Property is within an established residential location and whilst acts of crime and vandalism have so far been limited, disposal of this Property will ultimately remove any on-going risk to patrons of the Park and the Council.

Diversity – The potential sale provides the opportunity for the Property to be fully refurbished and brought back in to use.

Value for Money – The recommendation to dispose of this Property as outlined within this report will remove the costs associated with maintaining a void property and secure a capital receipt to support future capital projects.

14. Notification of Ward Councillors (Park)

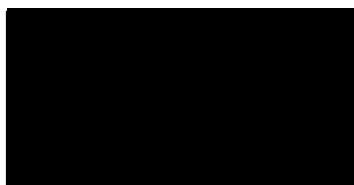
Cllr Andrew De Freitas
Dated: 28/01/2019
Comments: **None Received**

Cllr Ian Barfield
Dated: 18/01/2019
Comments: **Received and attached at Appendix Two**

Cllr Paul Silvester
Dated: 28/01/2018
Comments: **None Received**

15. Consultation with Portfolio Holder:

Name: Cllr Peter Wheatley
Title: Portfolio Holder for Regeneration, Assets, Skills and Housing



18-3-19

Signed and Dated

16. Decision maker:

Name: Sharon Wroot
Title: Director of Resources and Governance



18/3/19

Signed and Dated

Appendix One – Site Plan



Appendix Two – Ward Councillor Comments

Cllr Barfield comments/ response:

On 18 Jan 2019, at 16:28, Jack Fox (NELC) <Jack.Fox@nelincs.gov.uk> wrote:

Thank you Cllr Barfield for your response.

The capital from the sale will be allocated to specific projects within the Park as identified by Neighbourhood Services. The list below was considered some time ago and will be reviewed once the sale moves to completion. The revised list will be prioritised against the budget available.

- Resurfacing under all the play equipment;
- Fitting all new perimeter post that will not decay in galvanised steel powder coated. Total number of posts 724;
- Resurfacing of breed and stone paths around the lake area;
- Refurbishment of the band stand Painting and cleaning.

Hope this helps.

From: Cllr Ian Barfield (NELC) <Ian.Barfield@Nelincs.gov.uk>

Sent: 18 January 2019 13:19

To: Jack Fox (NELC) <Jack.Fox@nelincs.gov.uk>

Subject: RE: Peoples Park Lodge - freehold disposal

Dear Jack,

Firstly, great, anything is better than having the empty building. I look forward to seeing someone living there as soon as possible.

Secondly, the bit about the capital having to be spent in the park. Does that mean on capital items? Or will that just be lost into a general maintenance budget?

Regards,

Ian

Original:

From: Jack Fox (NELC) <Jack.Fox@nelincs.gov.uk>

Sent: 18 January 2019 11:31

To: Cllr Andrew DeFreitas (NELC) <Andrew.DeFreitas@nelincs.gov.uk>; Cllr Ian Barfield (NELC) <Ian.Barfield@Nelincs.gov.uk>; Cllr Paul Silvester (NELC) <Paul.Silvester@nelincs.gov.uk>

Cc: Cllr Peter Wheatley (NELC) <Peter.Wheatley@nelincs.gov.uk>; Sharon Wroot (NELC) <Sharon.Wroot@nelincs.gov.uk>; Wendy Fisher (NELC) <Wendy.Fisher@Nelincs.gov.uk>

Subject: Peoples Park Lodge - freehold disposal

Good Morning Councillors

The subject Property (as outlined red on the plan attached) is situated within the curtilage of Peoples Park and is held on Trust by the Council.

The Lodge has remained vacant since 2007 and since this time several options have been considered including disposal, community use and demolition. Consultation has been held with the adjoining tenants, NAViGO, which proved unsuccessful and there was no appetite from them to take on the Lodge for community use.

The Charity Commission confirmed that should a community use not be available, the preferred option would be disposal on the open market. The Charity Commission also confirmed there was no need to seek formal approval to dispose of the Property.

The Lodge was placed on the open market to explore the possibility of disposal for both community and non-community use. A Public Notice was issued outlining the intention of the Council to dispose of the Property. No responses were received to the Notice.

Following a period of marketing, five offers were received. All offers were on a freehold basis to refurbish the Property as a residential dwelling. The highest offer received from a limited company specialising in property development was considered to represent Market Value.

In considering the disposal, as the land was previously gifted by the Heneage Estate, it was subject to an existing covenant which has to be varied. Heads of Terms and a fee for the covenant variation was agreed at a small cost. As a result, the Heneage Estate have confirmed approval to the disposal subject to adhering to certain sections of the Charities Act (2014) and a condition that the capital receipt be used as investment within the Park.

The purpose of my email is to advise you that the proposal, by way of a formal Officer Decision Record (ODR), is being circulated to Monitoring Officers, before being presented to the Director of Resources and Governance and Portfolio Holder for approval. This is your opportunity to provide any comments you may wish to make in relation to the disposal which will be included in the ODR. Approval will form the instruction to Legal Services to complete the sale.

Could I please ask that you provide any comments, by return, no later than Friday, 25 January 2019.

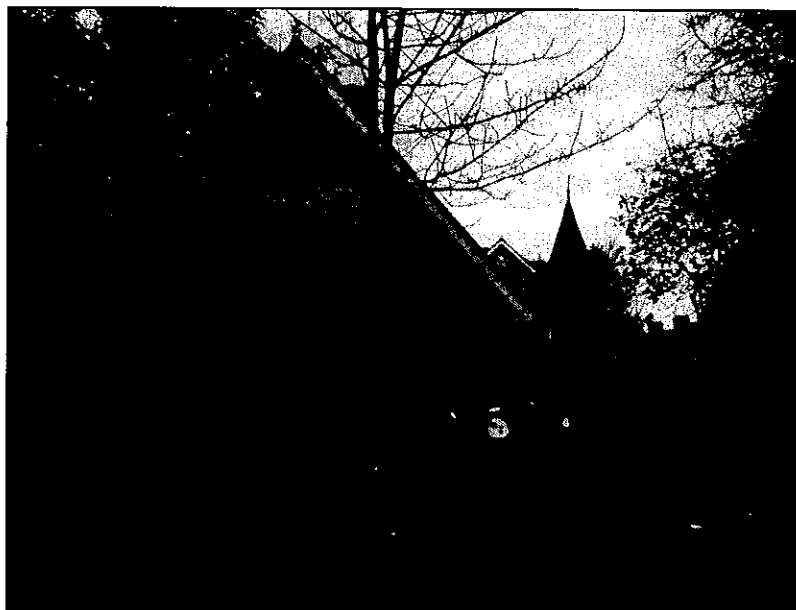
Regards



Working In Partnership

REPORT AND VALUATION

Relating to:
**PEOPLE'S PARK LODGE
PARK AVENUE
GRIMSBY
NORTH EAST LINCOLNSHIRE
DN32 0EQ**



Prepared for:
**NORTH EAST LINCOLNSHIRE BOROUGH COUNCIL
MUNICIPAL OFFICES
TOWN HALL SQUARE
GRIMSBY
NORTH EAST LINCOLNSHIRE
DN31 1HU**

Prepared by:
ENGIE SERVICES LIMITED

Dated:
25 FEBRUARY 2019

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1. EXECUTIVE SUMMARY

The People's Park Lodge (the 'Property') is a dormer bungalow former park keeper's residence with garage and gardens on the northern corner of People's Park, Grimsby.

The dormer building has a total room area of 103.9 square metres on a site that extends to approximately 0.17 acres. Access is via Park Drive over part of the designated park.

The Property borders a residential road to the northern boundary, with other aspects encompassed within the designated park, which is situated in a residential area of the town.

The Property is held on trust by North East Lincolnshire Borough Council therefore this report incorporates all statutory requirements of the Charities Commission. The Property is within a designated conservation area.

It is considered that that market value of the Property at the date of valuation is **£75,000 (Seventy five thousand pounds)**.

2. IDENTIFICATION AND STATUS OF VALUER

The valuation has been undertaken by the Estates and Valuation Section of ENGIE Services Limited by Mr Christopher Hanson BSc (Hons) MRICS. The Valuer is external to North East Lincolnshire Borough Council (the 'Client') and has the necessary knowledge, qualifications and experience to undertake the valuation.

Having regard to the contractual relationship between ENGIE Services Limited and the Client, the Valuer will be deemed to be external in accordance with the definitions contained in the RICS Valuation Standards current at the date of valuation (the RICS 'Red Book').

The Valuer has identified no conflicts of interest in undertaking the valuation. It should be noted that the Valuer has previously undertaken valuations of the Property on behalf of the Client for the purposes of financial reporting.

3. CLIENT INSTRUCTIONS

The report has been prepared for North East Lincolnshire Borough Council (the 'Client') as the Trustee of the Property following instructions received on 8th February 2019 from the Client's Asset team on behalf of the Director of Resources & Governance and subsequent agreed Terms of Engagement (contained at Appendix A and B).

4. PURPOSE OF VALUATION

To provide the Client with a valuation of the freehold of the Property. The valuation will be provided in compliance with:

RICS Valuation - Global Standards (the RICS 'Red Book') (including International Valuation Standards)

RICS Valuation – Global Standards 2017 – UK National Supplement

Charities Act 2011 s.117-119

The Charities (Qualified Surveyors' Reports) Regulations 1992

The valuation is to ensure the Client as Trustee has complied with the requirements of the Charities Act 2011 when disposing of charitable interests.

5. THE PROPERTY

The People's Park Lodge, Park Drive, Grimsby, North East Lincolnshire, DN32 0EQ (the 'Property') is a dormer bungalow former park keeper's residence with garage and gardens on the northern corner of People's Park, Grimsby.

The Property borders a residential road to the northern boundary, with other aspects encompassed within the designated park, which is situated in a residential area on the outskirts of the main shopping centre of the town of Grimsby. The Floral Hall directly borders to the west elevation and has a community use, with a boundary fence separating.

The Property sits on a total plot size of approximately 0.17 acres which contains established trees and shrubs.

A location plan is contained in Appendix C.

The specific details of the buildings (total room area in square metres) are (CAD Plans are contained in Appendix D):

Floor	Description	Area
	Entrance / Circular (inc	
Ground	Store)	13.4
Ground	Lounge	19.8
Ground	General Purpose	6.3
Ground	WC	1.5
Ground	Kitchen	5
Ground	Store	1.5
Ground	Store	1.1
Ground	Dining Area	7.9
Ground	Integral Garage	15
First	Bedroom (inc. Store)	13.4
First	Bedroom	11.7
First	Bathroom	4.3
First	Circular	3
Total		103.9

We understand from information we have been provided from data in 2012 that the following repairs are required to bring the Property to a decent and habitable standard:

External repairs	Building	£8,301
	Grounds	£7,087
Internal repairs	uPVC	£3,000
	DPC	£3,000
	Redecoration	£6,000
	Kitchen	£4,500
	Bathroom	£3,500
	Structural Works	£5,000
		<hr/>
		£40,388

We have made an adjustment on these costs based on the Building cost index over the period to the date of valuation. It is therefore estimated that costs have increased by 10% and as such the total adopted for this valuation is £45,000.

We have not been requested to nor have we commissioned any further information in this regard.

6. TENURE

We understand that North East Lincolnshire Borough Council owns the freehold of the Property.

For the purpose of this valuation we have assumed that vacant possession will be provided.

We have been made aware of a restrictive covenant on the Property limiting the uses without the consent of the Edward Heneage Estate.

7. BASIS OF VALUE

The valuation reports the *market value* of the Property, as per the RICS Valuation – Global Standards, VPS 4, as defined in IVS 104 paragraph 30.1, *market value*:

‘the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

The Valuation is prepared in Pounds Sterling (£GBP).

8. VALUATION DATE

The date of the valuation is 21st February 2019.

9. EXTENT OF INVESTIGATION

The Property was inspected by the Valuer on 21st February 2019 (photographs are contained within Appendix E). No inspection was made of inaccessible areas of the Property.

We understand the Property has been vacant since circa 2008 and has suffered vandalism since that time as well as general 'wear and tear'.

It is considered a full scheme of repair and refurbishment is required in order to bring the Property to an habitable standard and this has been advised earlier in the report.

10. NATURE AND SOURCES OF THE INFORMATION RELIED UPON

In undertaking the valuation we have been provided with information on the tenure, CAD plans and condition information. We have considered and taken reliance on these and on third party information obtained, for example evidence of market sales data, and we have assumed that this is correct.

11. ASSUMPTIONS

This valuation has been produced on the following assumptions except where identified otherwise in our report:

- We understand that the Property requires the permission of the Edward Heneage estate to enable the intended use of residential and this has been achieved in principle. It is assumed that this will be confirmed prior to any disposal and that it will not onerously affect the future use of the Property for the use which forms the basis of the valuation.
- We have assumed that all services and appliances are in working order, however as we have not tested any such services or appliances we can provide no warranty as to their condition or use.
- We have not had sight of a Fire Risk Assessment (FRA) and have assumed for the purposes of this Report and Valuation that the property complies with any such requirements.
- We have assumed that where necessary the building complies with the requirements of the Disability Discrimination Act 1995 (as amended by the Disability Discrimination Act 2005)
- We have not been instructed to make any investigations in relation to the presence of contamination in the land or buildings and have assumed that if investigations were to be made then nothing would be discovered sufficient to affect value.
- We have not had sight of the Asbestos Register, we have assumed that the presence of any asbestos, except where specifically stated, is of low or very low risk and would not influence or have a bearing upon the valuation. Since May 2004 in accordance with The Control of Asbestos at Work Regulations 2006 property owners, occupiers and managers are required to identify and control ACM in their property. If potential ACM is identified and is in good

condition and undisturbed, the Health & Safety Executive recommends that a management plan is formulated whereby it is regularly inspected, steps taken to keep disturbance to a minimum and only removed if it is in a poor condition or at risk of damage.

- We have not carried out a building survey of the property as this was not within the scope of our instruction, nor have we inspected those parts of the property that were covered, unexposed or inaccessible. We have assumed for the purposes of this Report that the condition of such parts is in line with the condition of those inspected parts.
- We have not had sight of a full package of Title documentation. We have therefore assumed, except where specifically stated, that the property is held by way of an unencumbered freehold with no other onerous restrictions, rights or covenants appertaining to the property. In particular it has been assumed that free and unimpeded rights of way exist onto the property.
- We have not entered into any detailed discussions with Planning Officers and have assumed that planning permission for the proposed use would be granted with no restrictions or onerous conditions attached.
- The Regulatory Reform (Fire Safety) Order 2005 came into effect on 1 October 2005. This requires the responsible persons for all non-domestic properties to prepare a Fire Risk Assessment. During our inspection we were not provided with an FRA and we are unable to confirm whether the use of the property complies with the requirements.
- The Disability Discrimination Act 1995, as amended by the Disability Discrimination Act 2005, imposes a duty on employers and businesses offering a service to the public to make reasonable changes to practices and procedures to enable disabled people to do their jobs, or remove or alter any feature that makes it impossible, or unreasonably difficult for a disabled person to make use of the service provided. The duty of compliance rests with the occupier. During the course of our inspection we were not provided with a Disability Discrimination Audit and we are unable to confirm whether the use of the Property complies with the requirements of the Act.
- The Equality Act came into force on 1 October 2010. The Act consolidates and brings together previous equality laws including the law on disability discrimination. Operators are under a duty to make reasonable adjustments to the provision of their services to accommodate people with disabilities. The duty is anticipatory – so adjustments must be made before a claim for disability discrimination is brought. What will constitute a reasonable adjustment very much depends on the size and nature of the service.
- We have not carried out, nor are we qualified to carry out an environmental audit. Our inspections were only of a limited visual nature and we cannot give any assurances that previous uses on-site or in the surrounding areas have not contaminated sub-soils or ground waters. In the event of contamination being discovered, then further specialist advice should be obtained.
- At the time of the inspection we did not identify any invasive plant or shrub species. Should it be established that they are apparent on the subject property, or any neighbouring land or boundaries, we would reserve the right to re-inspect or revise the report as this may adversely affect the valuation.
- We have made enquiries of the Environment Agency website, which identifies the property as being in an area of very low flood risk from rivers or the sea, and low from surface water.

12. RESTRICTIONS ON USE, DISTRIBUTION AND PUBLICATION OF THE REPORT

In accordance with the recommendations of the RICS we would advise that this Report is provided solely for North East Lincolnshire Borough Council. It is confidential to and for the use only of the party to whom it is addressed and no responsibility whatsoever is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this Report at their own risk.

Neither the whole nor any part of this Report or any reference to it may be included now or at any time in the future in any published document, circular or statement nor published nor referred to or used in any way without our written approval of the form and context in which it may appear.

Notwithstanding the above, the Valuer gives permission for this report and valuation to be shared with the Charity Commission in connection with any proposed disposal.

13. CONFIRMATION THE VALUATION UNDERTAKEN IN ACCORDANCE WITH THE IVS

Our Report and Valuation has been prepared in accordance with your instructions and in accordance with the Red Book including the International Valuation Standards.

14. VALUATION APPROACH AND REASONING

The valuation has been undertaken using the 'comparable method' of valuation.

The Property is suited for renovation as a two bedroom residential property with the benefit of a garage. There is evidence of sales for three bedroom terraced properties in the area however it is considered the most appropriate comparable properties are mews type apartments located opposite to the park and the subject Property:

- The Sycamore, 45 - 47, Welholme Road, Grimsby, North East Lincolnshire DN32 0DR
Assumed three bedroom mews, freehold
Sold 20th July 2018 for £160,000
- The Willow, 45 - 47, Welholme Road, Grimsby, North East Lincolnshire DN32 0DR
Assumed two bedroom mews, freehold
Sold 6th October 2017 for £94,000

There is little other recent evidence of similar properties however the above development had prices ranging from around £115,000 for two bedroom through to £160,000 for three bedroom in 2011.

There is an immaculate two bedroom apartment in a converted villa on Park Drive which is currently on the market for £150,000, and a further two storey one at Abbey Park Mews available for £120,000.

The subject has the advantage of being detached, however arguably the park location presents some security and therefore insurance considerations that may affect the value. Considering the above the market value is in the region of £120,000 once fully renovated.

An alternative approach is to consider the rent achievable from the Property. There is a strong investor market in the area for renovation to let with rents achievable in of between £350 – 500 per calendar month in less desirable ones. It is anticipated that the subject would therefore achieve in excess of this and a figure more in the region of £600 -700 per calendar month would be realistic.

Yields vary through the town and reach 10- 12% in some of the more deprived parts where capital values are low yet rental levels do not tend to fall below a relatively high threshold. This area is arguably more desirable with affordable properties not becoming available often and as such a yield of 7% is considered appropriate.

Capitalisation of annual rents of between £7,200 - 8,400 at a 7% yield provides for a market value in the region of £100,000 - 120,000.

The above assume the Property is in a good state of repair, therefore in producing the valuation we have considered the costs required to bring it to a standard of the comparables and deducted this from the above figures to provide the market value. The figure of £45,000 has been adopted for the purposes of costs which would provide a market value in current condition of between £55,000 - £75,000.

Due to the uniqueness of the Property, the strength of the investor market and the specific location, the higher of this range is considered achievable.

In accordance with the Red Book requirements 'Valuation of charity assets' and the Charities (Qualified Surveyors' Reports) Regulations 1992 (SI 1992/2980) we advise the following additional information where not referenced elsewhere in this report:

- The use as residential is considered the most likely to achieve best price. We understand that community and office use has been considered however there has been no interest for this.
- We are not aware that any part of the Property is leased by or from charity trustees.
- We are of the opinion that it would not be in the best interest of the Client to undertake those works and repairs identified in this report. It is not considered that by undertaking the works the market value would necessarily increase over and above the costs.
- We consider the current layout of the buildings to be suitable to achieve best market price for the Property and would not recommend any alterations, as per the previous comment on repairs.

- The opinion of the Valuer is that the method of disposal most likely to achieve best price is through private treaty with sufficient advertising, for example via a local qualified agency.
- The period of advertising the Property should be no less than eight weeks in order to ensure adequate coverage.
- Due to the uncertainty of the market it is not considered that delaying the disposal would add further value, and has an additional risk of further deterioration to the condition of the building and the associated liabilities.
- The Valuer is not suitably qualified to provide a statement as to the chargeability or otherwise of value added tax on the proposed disposition and the effect of such advice on the valuations.

15. AMOUNT OF THE VALUATION

We are of the opinion that the Market Value of the People's Park Lodge, Park Drive, Grimsby, North East Lincolnshire, DN32 0EQ is:

£75,000 (Seventy five thousand pounds).

16. DATE OF THE VALUATION REPORT

The valuation report has been produced on the 25th February 2019.

17. MATERIAL UNCERTAINTY IN RELATION TO THE VALUATION

We consider that an updated schedule of repairs and works in renovating the Property – and the standard of those renovations – could impact on the stated valuation figure.

18. LIMITATIONS ON LIABILITY

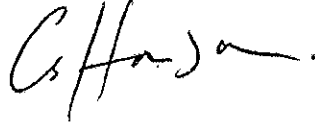
This report is provided for the purpose stated above and third party liability is excluded.

We can confirm that our firm carries current Professional Indemnity Insurance of £5,000,000 per claim and in the annual aggregate. The cover is fully retroactive.

19. SIGNATURE

NAME: Christopher Hanson BSc (Hons) MRICS
RICS Registered Valuer

SIGNED:

A handwritten signature in black ink, appearing to read 'C. Hanson', with a long horizontal stroke extending to the right.

For and on behalf of ENGIE Services Ltd

DATE: 25th February 2019

20. APPENDICES

A Confirmation of Instruction

From: Jack Fox (NELC)
Sent: 08 February 2019 14:09
To: George Lewis (Engle)
Cc: Keith Thompson (NELC)
Subject: FW: Peoples' Park Lodge, Grimsby - Subject to Contact and Without Prejudice 100918
Importance: High

George – please see the email below from Keith. Can you confirm a Surveyors report has been provided to ensure we meet the requirements of the Charities Act. Can you provide this ASAP please as it needs to be stated at Section 8 and appended to the ODR when the decision is taken.

Regards

Jack Fox, Assets Advanced Practitioner (Corporate) / Project Manager (Greater Grimsby Town Deal), North East Lincolnshire Council

Municipal Offices, Town Hall Square, Grimsby, North East Lincolnshire, DN31 1HU

01472 323388 | 07730 014287 | jack.fox@nelincs.gov.uk | www.nelincs.gov.uk

North East Lincolnshire Council and ENGIE, working in partnership to deliver a stronger economy and stronger communities

B Terms of Engagement

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TERMS OF ENGAGEMENT

NORTH EAST LINCOLNSHIRE BOROUGH COUNCIL – PEOPLE'S PARK LODGE

VALUERS:	<p>Christopher Hanson BSc (Hons) MRICS –Surveyor RICS Registered Valuer For and on Behalf of ENGIE Services Limited</p> <p>The valuations will be undertaken by the above named qualified externally appointed Valuer. The Valuer will be responsible for planning, preparation of the brief and specification, preparing the valuation and reporting them to the client.</p>
CLIENT:	<p>North East Lincolnshire Borough Council Municipal Offices Town Hall Square Grimsby North East Lincolnshire DN31 1HU</p> <p>For the attention of Assets</p>
INTERESTS TO BE VALUED:	<p>A valuation of the freehold of the People's Park Lodge, Park Drive, Grimsby, North East Lincolnshire, DN32 0EQ.</p> <p>The freehold value to be reported in pounds sterling (£GBP).</p>
PURPOSE OF VALUATION:	<p>To provide the Client with a valuation of the People's Park Lodge, Park Drive, Grimsby, North East Lincolnshire, DN32 0EQ.</p> <p>The valuation will be provided in compliance with:</p> <ul style="list-style-type: none">RICS Valuation - Global Standards (the RICS 'Red Book')RICS Valuation – Global Standards 2017 – UK National SupplementCharities Act 2011 s.117-119The Charities (Qualified Surveyors' Reports) Regulations 1992 <p>The valuation is to ensure the Client has complied with the requirements of the Charities Act 2011.</p>
BASIS OF VALUE:	<p>The report will provide the <i>market value</i> of the Property, as per the RICS</p>

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Valuation – Global Standards, VPS 4, as defined in IVS 104 paragraph 30.1, *market value*:

'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.'

VALUATION DATE: The date of the valuation will be recorded as 21st February 2019, unless expressly recorded otherwise.

INSPECTIONS & INVESTIGATIONS: The Valuer will rely upon their knowledge of the Property and information held by the client as to the state of repair of the Property as at the date of valuation, highlighting any limitations which may affect the reported market value.

This will reference any reports available that indicate the state of repair of the Property to inform the requirements of the Charities (Qualified Surveyors' Reports) Regulations 1992, notably whether the *market value* would increase if works, adaptations, etc. were undertaken.

ASSUMPTIONS & SPECIAL ASSUMPTIONS: The following assumptions will be made, unless otherwise specifically stated in the report;

That the Property, unless where stated, is in the freehold ownership of the Client, and vacant possession will be provided, subject to any known covenants.

That all easements, rights of way, restrictions and other encumbrances affecting the Property have been considered within the valuation.

No structural surveys of the Property have been undertaken nor have the drains or services been tested. It is assumed that no hazardous, unsuitable, or inherently dangerous materials have been used in construction.

It is assumed that the land referred to contains no contaminate material that would be likely to have an effect on value. No investigations will be undertaken on this subject.

That the Property has planning permission for the proposed use. No further enquiries will be made. In certain cases assumptions as to potential alternative uses will be made.

That all statutory requirements of the occupation have been complied with. No further research will be carried out in this respect.

That the occupation will have the benefit of access, services and rights to enable occupation on a normal basis.

That no allowance has been made for any liability for taxation that may

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arise on disposal, whether actual or notional, unless specifically stated.

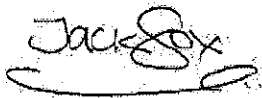
The valuation does not reflect or take account of the costs of realisation unless specifically stated.

NATURE & SOURCE OF INFORMATION:	The valuation will be based on information held by the Client and managed by ENGIE Services Limited.
REPORTING:	The report will be provided in electronic format only.
RESTRICTIONS ON PUBLICATION:	The report will be confidential to the Client for the purpose stated above and should not be relied upon for any other purpose, or by any other party. The report, its accompanying schedule or any of its contents shall not be publicised without the express consent of the Valuer or ENGIE Services Limited.
EXCLUSION OF LIABILITY:	The report will be provided for the purpose stated above and third party liability is excluded.
COMPLAINTS:	In the first instance please direct all complaints to the Head of Development, ENGIE Services Limited, New Oxford House, George Street, Grimsby, North East Lincolnshire, DN31 1HB
FEE:	£nil (undertaken in line with the Partnership Agreement between the parties to these terms).

DECLARATION:

I agree to the Terms of Engagement set out above.

Signed:



Print Name: Jack Fox

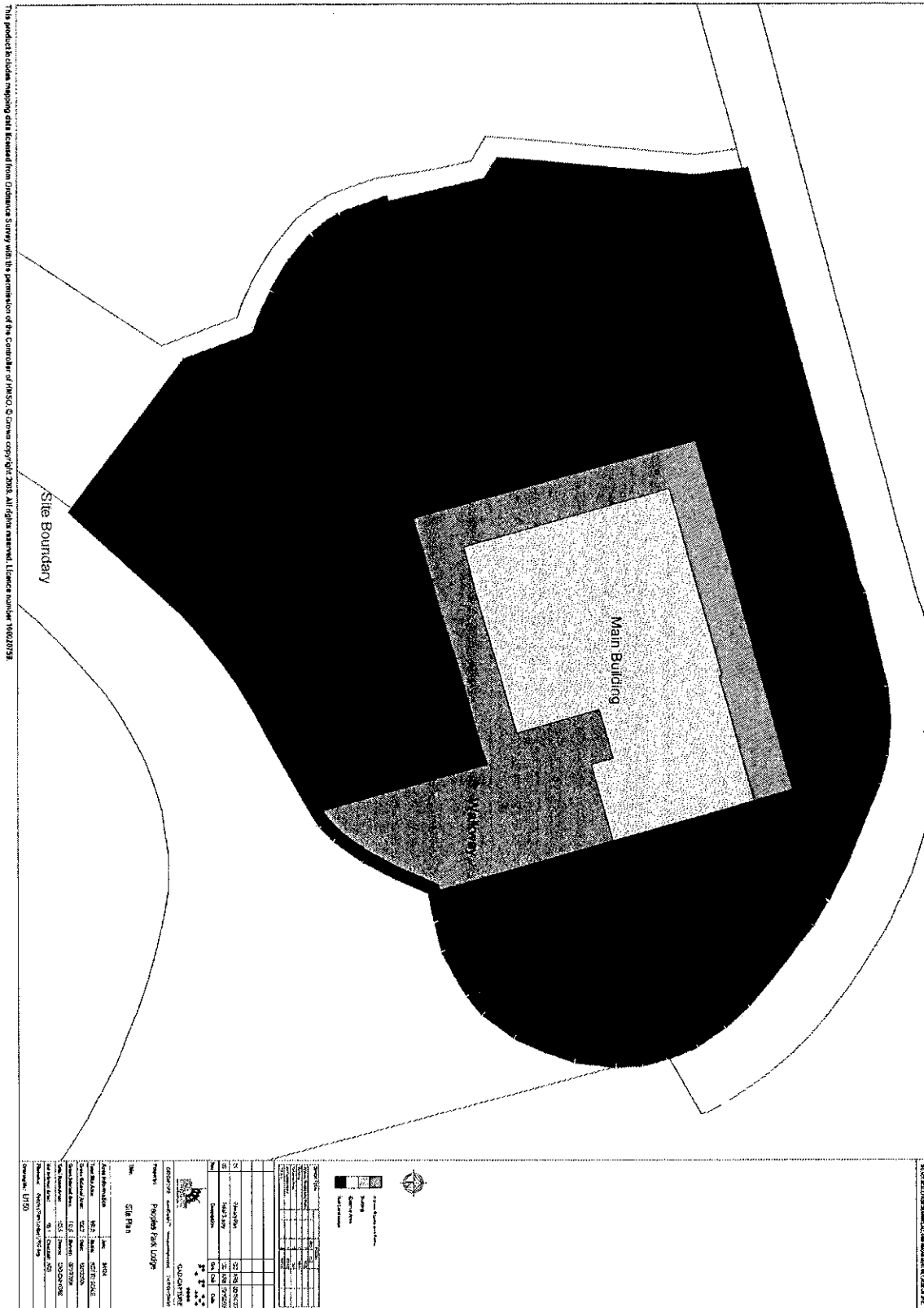
Signed on behalf of: North East Lincolnshire Borough Council

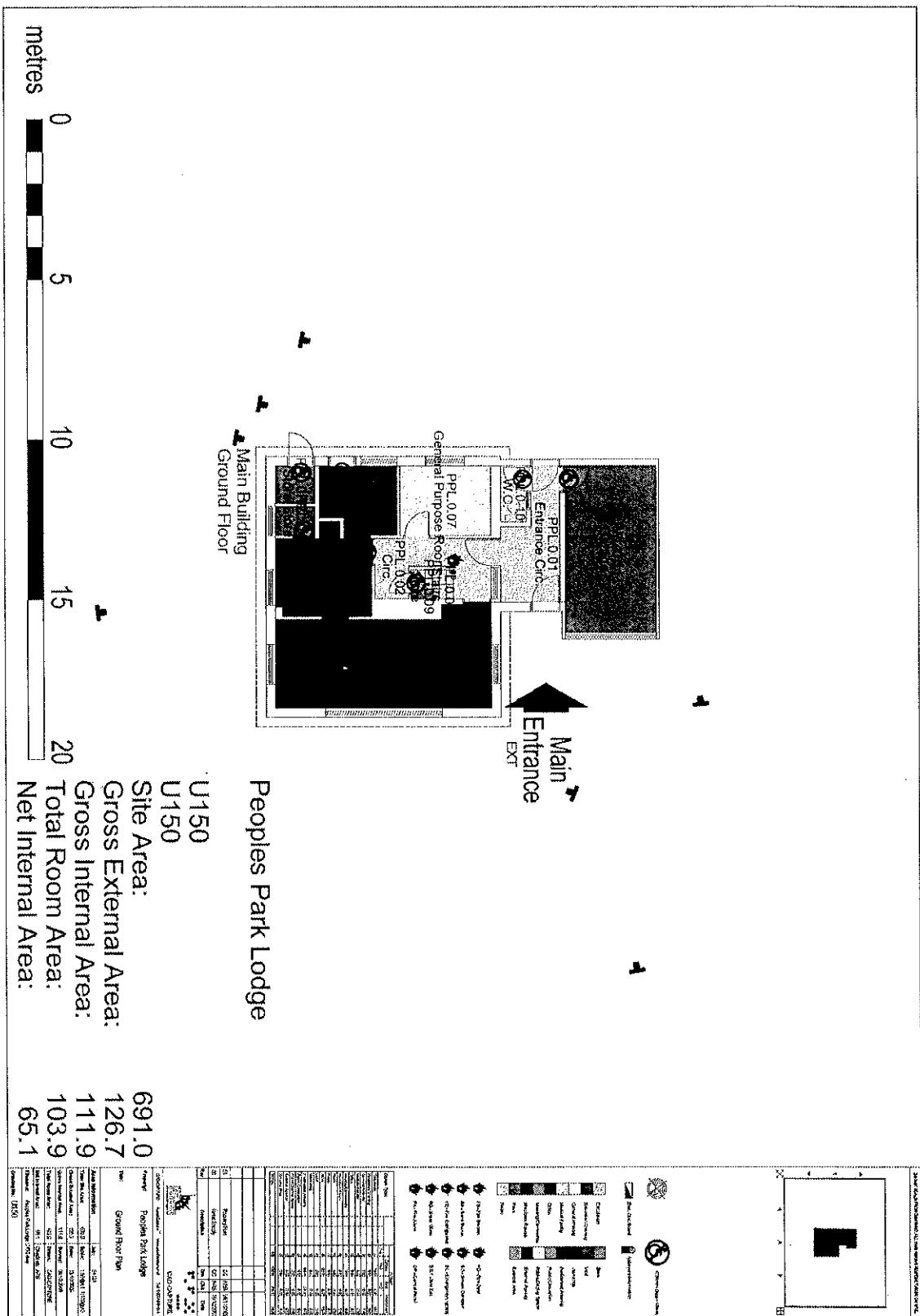
Dated: 21/02/2019

C Location Plan (Not to Scale)



D CAD Plan (Not to Scale)



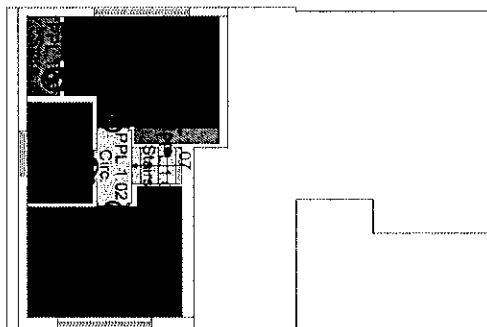


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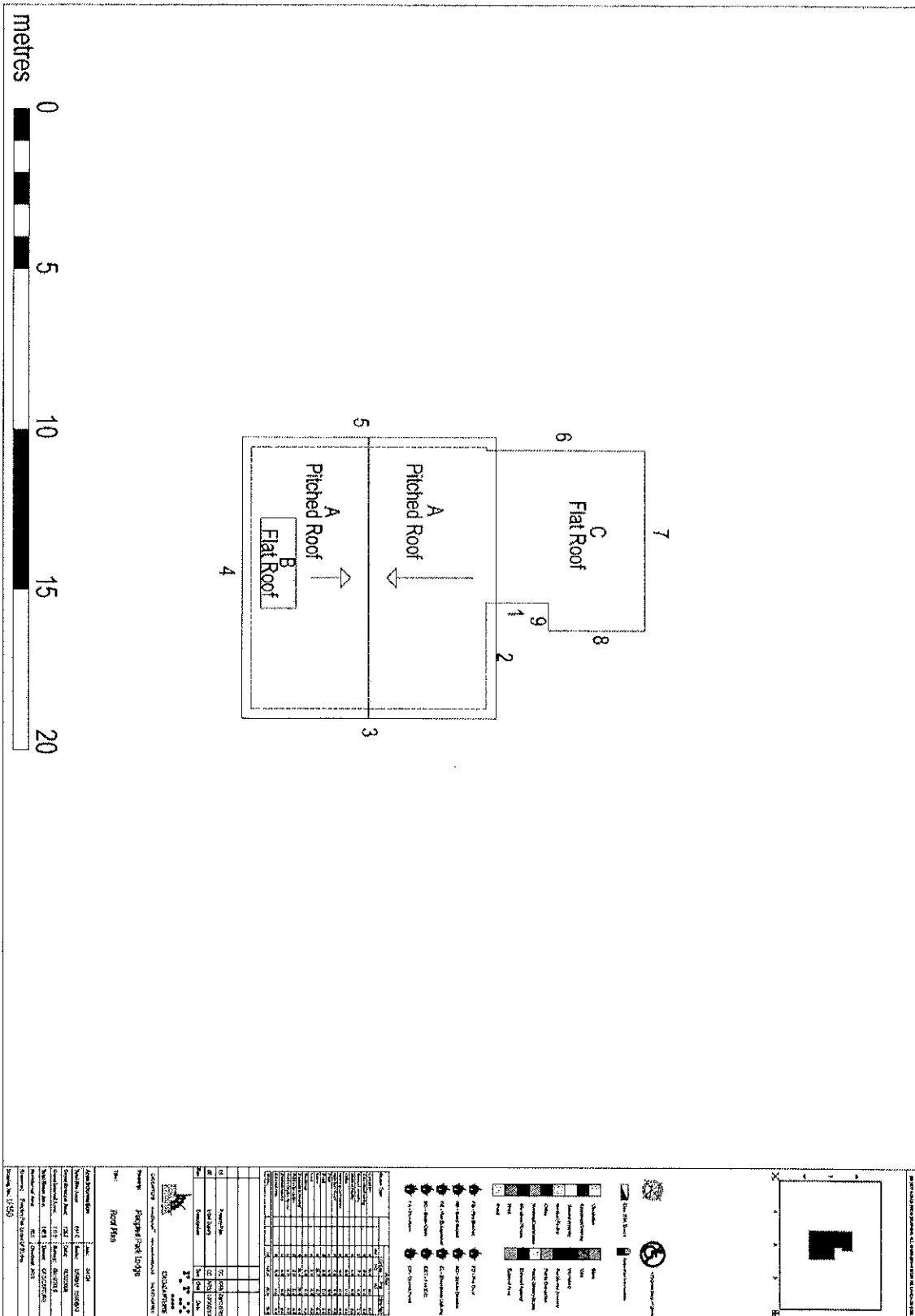
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Main Building
First Floor

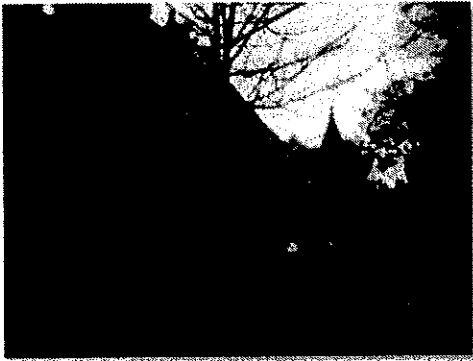
No Access
to this Floor



<p>Project Name: Parish Park Lodge</p> <p>Client: Parish Park Lodge</p> <p>Project No: 01/20</p>		<p>Scale: 1:500</p> <p>Sheet No: 01/20</p> <p>Revision: 01/20</p>
<p>Project Description: Parish Park Lodge</p> <p>Project Location: Parish Park Lodge</p> <p>Project Status: 01/20</p>		<p>Project Manager: 01/20</p> <p>Project Engineer: 01/20</p> <p>Project Designer: 01/20</p>
<p>Project Details: Parish Park Lodge</p> <p>Project Address: Parish Park Lodge</p> <p>Project Contact: 01/20</p>		<p>Project Date: 01/20</p> <p>Project Version: 01/20</p> <p>Project Status: 01/20</p>



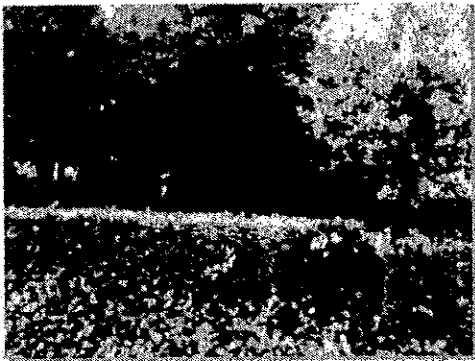
E Photographs



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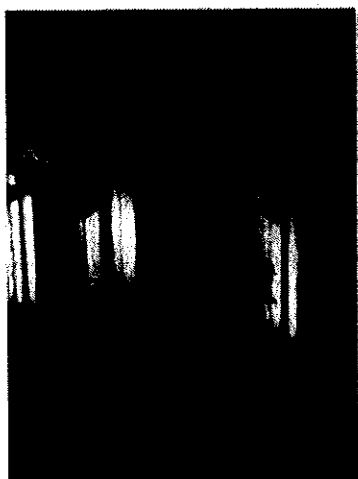
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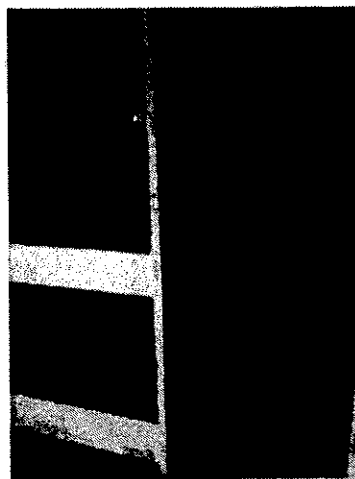
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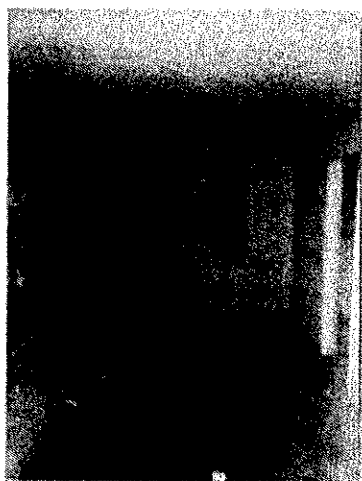
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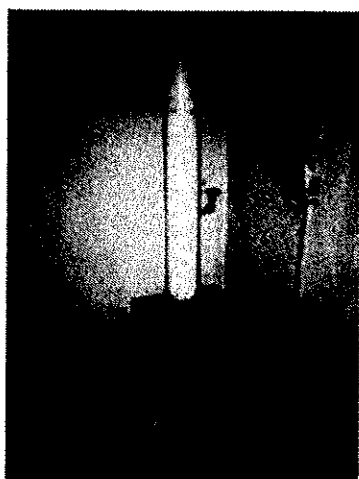
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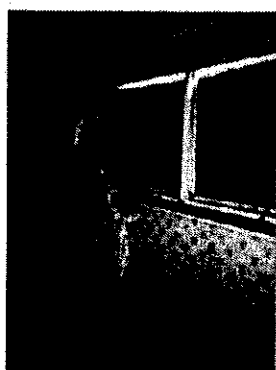
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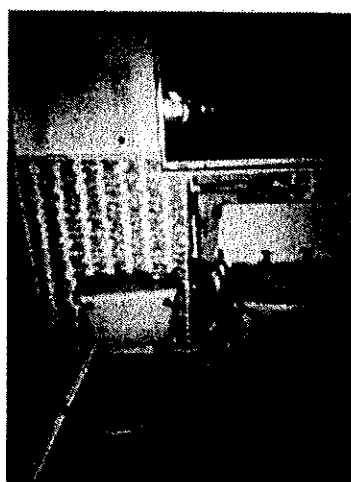
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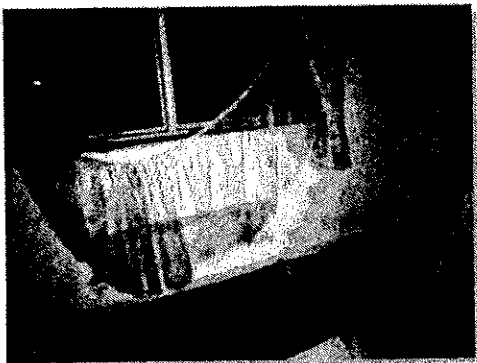
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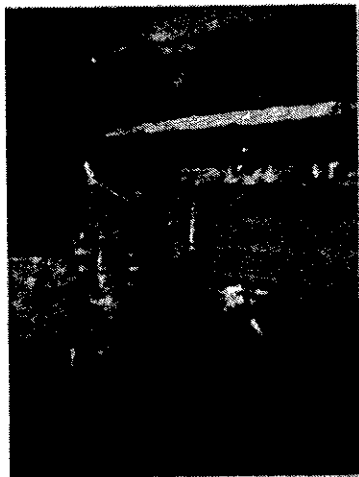
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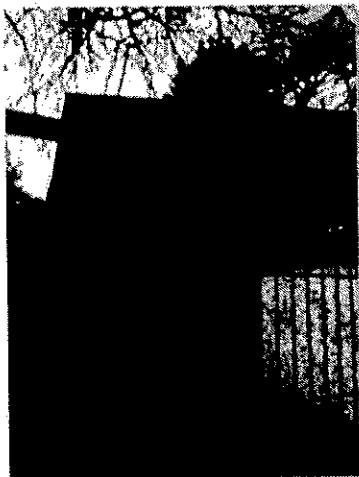
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END OF REPORT

Officer Decision Record – Property Transaction

1. Subject and details of the matter
<p><u>The Knoll, Knoll Street, Cleethorpes, North East Lincolnshire, DN35 8LN (the "Property")</u></p> <p>North East Lincolnshire Council is the freeholder to the Property (as shown outlined red on the plan attached at Appendix One).</p> <p>The Property comprises a substantial period municipal building extending to approximately 6,189sqm GIA over various floor levels.</p> <p>The Property is Grade II listed and stands on an elevated plot with lawn areas around. The main entrance is via Knoll Street to the south although the main façade is to the eastern elevation, Alexandra Road/A1098. The Property has rear frontage to NELC's main administrative office known as 'The Civic Offices'.</p> <p>The Property is considered to be architecturally attractive for its design purpose incorporating stone façade details to areas including doorways and entrances. Roof coverings are generally slate with lead dressings to details.</p> <p>The overall condition of the Property is considered to be satisfactory having regard to its age type and use.</p> <p>The property is occupied by Armed Forces Major Events Team (AFMET) who remain in occupation by way of a lease to the first floor and Tenancy At Will of the Ground pending completion of the proposed community asset transfer of the whole property by means of a 25 year lease.</p> <p>The property has been declared surplus and further to a marketing campaign Cabinet has agreed to a disposal in the form of a community asset transfer by means of a 25 year lease to the AFMET.</p> <p>It is proposed that Humberside Police will take a sub-tenancy from AFMET to use part of the ground floor (rear annexe) as a Community Police Station. Planning permission has been granted for this use.</p> <p>Heads of terms are to be finalised with delegated authority passed to the Council's Director of Resources & Governance and the Portfolio Holder for Regeneration, Housing, Skills & Assets. Delegated authority concerning the details of the legal documentation has been passed to the Council's Legal & Monitoring Officer.</p>
2. Details of Decision
<p>That the Director of Resources and Governance and the Portfolio Holder for Regeneration, Housing, Skills and Assets agree the valuation evidence now available and support the proposed disposal in accordance with the mandate of Cabinet.</p> <p>To complete a community asset transfer to AFMET C.I.C by way of 25 year lease at £1 per annum if demanded. Tenant to be responsible for internal repairs, maintenance and running costs. NELC to retain responsibility for external maintenance and repairs since this is a Grade II listed building incorporating various architectural features.</p> <p>The Tenant will be permitted to sub-let part of the property to Humberside Police but otherwise no alienation/sharing of possession permitted.</p>
3. Is it a Key Decision as defined in the Constitution?
<p>Yes - the Constitution includes a Protocol on Disposal of Land for Less than Best Consideration ("the Protocol"). Due to time constraints associated with preparing a report to Cabinet, full valuation evidence was not available at the time of the report and therefore Cabinet agreed the disposal in principle (subject to valuation) and delegated responsibility to the Director of Resources and</p>

Governance and the Portfolio Holder for Regeneration, Housing, Skills and Assets to agree the valuation and subject to that, ensure that all necessary actions are carried out in order to complete and approve the detailed terms of the lease disposal.

The Protocol contains eight specific procedural requirements that must be addressed and included in any report seeking authority to dispose at less than best consideration. The report must contain a valuation, undertaken by a Chartered Surveyor (Valuer) setting out the restricted and unrestricted values of the property concerned. The Valuer is required to assess the unrestricted value in capital terms. The unrestricted value should be assessed by valuing the authority's interest after the lease had been granted, plus any premium payable for its grant. In other words, it will be the value of the right to receive the rent and any other payments under the lease, plus the value of the reversion when the lease expires. The restricted value is the market value of the property having regard to the terms of the proposed transaction. It is calculated in the same way as unrestricted value. The Council's partner in the provision of estates and valuation services, ENGIE Services Limited, has provided a valuation report from a qualified Chartered Surveyor which contains the following key information. This represents the undervalue of the lease disposal:

(i) A valuation report, undertaken by a Chartered Surveyor (Valuer), setting out the restricted and unrestricted values of the property

The Council's partner in the provision of Estates and Valuation services, ENGIE Services Limited, has provided a valuation report from a qualified Chartered Surveyor which contains the following key information.

VALUATION	TOTAL
Unrestricted Value	£230,000 (two hundred and thirty thousand pounds)
Less Restricted Value	£12,000 (twelve thousand pounds)
Equals Discount	£218,000 (two hundred and eighteen thousand pounds)

The above figures are based on the current market value and the market value under the terms of the proposed transaction and is the amount that will not be received by the Council if it is approved.

(ii) An assessment with supporting evidence of the capital value to the Council of those benefits of the proposal which are capable of monetary assessment together with an assessment with supporting evidence of the value of non-monetary benefits (i.e. social, economic and environmental benefits)

The property would remain surplus and predominantly unoccupied with associated running costs. The value of the proposed asset transfer in non-monetary terms cannot be quantified. Nevertheless, a transfer to AFMET supports the Council's outcomes of a 'stronger economy' and 'stronger communities'. It provides AFMET with a sustainable platform from which to deliver its own objectives. The proposed transfer passes most of the building's running costs to AFMET thus representing a saving to the Council.

AFMET'S objective is to provide support services to ex-service personnel, local veterans and their families. This is achieved via career advice, counselling, working in conjunction with partner and related organisations. The outcomes of this objective include the following:-

- Minimising risk of domestic violence
- Support military personnel at risk of offending
- Preventing 'at risk' children from offending and being excluded
- Career opportunities to join armed forces
- Preventing alcohol abuse
- Helping victims of PTSD
- Preventing homelessness.

All these outcomes affect peoples' lives and cannot be directly quantified. Notwithstanding there is a significant cost to the Borough in dealing with the issues and any opportunity to reduce the numbers of those affected must be embraced.

(iii) Confirmation that the disposal will contribute positively to the council's priorities.

The Community Asset Transfer will contribute positively to the Council's objectives including 'Sustainable Communities', 'Feel Safe and Are Safe' and 'Health and Wellbeing'.

(iv) A statement that the benefits that the Borough will derive from the proposed disposal cannot be achieved unless the lease takes place at an undervalue rent and confirming that no reasonable alternative means of funding are available to the purchaser.

AFMET is a Community Interest Company which makes little surplus on operating cost. Any surplus achieved goes towards furthering the objectives of the organisation. It relies on grant funding via various sources. Without funding the benefits AFMET achieves for the Borough could not be achieved.

(v) In cases where the proposed disposal is to an identified person/organisation without a tender process, this should be subject to consideration of a robust business case and an analysis of the financial standing of the organisation/person.

A full Business Case was received and considered following the premises being openly marketed by Messrs. Scott's Property whereby interest was expressed by Friends of Cleethorpes' Heritage (FOCH) and the preferred transferee AFMET.

(vi) Details of the proposed terms of the transaction which will ensure that the disposal will contribute to the achievement or improvement of the social, economic and environmental wellbeing of the area.

NOTE: In considering the application of the wellbeing criteria under the General Disposal Consent, the Council must have regard to the Community Strategy and reasonably consider the extent, if any, to which the proposed disposal supports the aims and objectives in the Strategy

Heads of terms to be finalised but based around the following:-

- 25 year lease, contracted out
- Mutual landlord/tenant break upon giving three months' notice if the main use ceases
- £1.00 per annum rent
- Use to be for administrative centre for AFMET to include café and community police station
- Tenant responsible for internal repairs only. Landlord responsible for external/main fabric of the building which may be subject to seeking a contribution from AFMET through a service charge
- Landlord to insure building, tenant to reimburse the cost of premium. Tenant responsible for insuring contents, fixtures and fittings
- Utilities to be procured by landlord on corporate contract, tenant to reimburse landlord for cost of utilities including any standing charges
- Absolute bar on assignment and sub-letting save AFMET will be authorised to sub-let part of ground floor and parking area to Humberside Police to facilitate a community police station
- Each party to bear its own professional fees in preparing the legal documentation

(vii) A statement from the Monitoring Officer on whether it is considered that the disposal is capable of falling within the terms of the General Disposal Consent.

See Section 10 below.

(viii) A statement from the Section 151 Officer in relation to the financial implications of the proposal, particularly in respect of the impact on resources for capital spending as set out in the Medium Term Financial Plan.

There must demonstrable evidence that the outcome of any undervalue disposal will be equally beneficial to a disposal at market value

See Section 11 below.

CORPORATE, COMMERCIAL & CAPITAL PROGRAMME BOARD - The Protocol also requires that any proposal to dispose at less than best consideration should, in the first instance, be referred to the

Board for consideration. The proposal has been considered by the Board.

STATE AID RULES - The Protocol further requires that the council ensures that the nature and amount of any undervalue complies with the European Commission's State Aid Rules and does not create a state aided subsidy for a commercial organisation.

That requires the application of the follow tests:

1.1.1 Is the value of the benefit below the threshold set by the De Minimis Aid Regulations?	
Yes.	
1.1.2 Do the General Block Exemption Regulations apply to the proposal?	
No.	
1.1.3 Does the proposal meet any of the following 5 State Aid criteria?	
1.1.4 Where 1 or more of the criteria appears not to be met, then it is unlikely to constitute State Aid:	
Is the measure granted by the state or through state resources?	Yes
Does it confer an advantage to an undertaking?	Yes
Is it selective, favouring certain undertakings?	Yes
Does it distort, or have the potential to distort, competition?	Yes
Is the activity tradable between member states?	No

Irrespective of whether the exemption applies, it is clear that not all of the State Aid criteria in the section above are met and therefore there would be no breach of State Aid rules if the Council were to accept the proposal and dispose at peppercorn consideration.

4. Has the principle of the disposal been approved by Cabinet

Yes – approval to dispose has been resolved by Cabinet, at its meeting of 24 October 2018, as per the decision notice set out below:

DN.49 DISPOSAL OF PROPERTY AT LESS THAN BEST CONSIDERATION – LEASE DISPOSAL OF THE KNOLL, KNOLL STREET, CLEETHORPES

Cabinet received a report from the Director of Resources and Governance which sought authority to dispose by way of a repairing and insuring lease the named property above.

RESOLVED –

(1) That subject to appropriate valuation advice, the principle of granting an internal repairing and insuring lease of the subject site for a term of 25 years at a peppercorn rent (£1 per annum if demanded) to Armed Forces Major Events Team-North East Lincolnshire, Community Interest Company ("AFMET"), be approved.

(2) That the Director of Resources and Governance instructs a valuation on the site in order to complete the 'less than best consideration' report to be agreed under delegated authority as per Recommendation 3 below;

(3) That responsibility be delegated to the Director of Resources and Governance and Portfolio Holder for Regeneration, Housing, Skills and Assets to agree the valuation advice and ensure that all necessary actions are carried out in order to complete and approve the detailed terms of the lease disposal;

(4) That authority be delegated to the Chief Legal and Monitoring Officer to complete all requisite legal documentation in relation to the matters outlined above.

REASON FOR DECISION – A proposal has been received by AFMET which has been considered as part of the Council's approach to Community Asset Transfer (CAT). The proposal has been agreed in principle which could result in the transfer of the subject site to AFMET by virtue of a 25 year internal repair and insure lease. The lease would enable the expansion of the current management and operation of the premises by AFMET who

have demonstrated, through a detailed Business Case, that their proposal is sustainable and viable over the term. As the lease does not include the exterior of the building, there could be future costs to be met by the Council associated with the upkeep of the building. However, negotiation in relation to a service charge mechanism whereby the Tenants could be liable for a certain level of maintenance to keep the exterior (and roof etc.) in good repair is to be undertaken and any future level of investment will be subject to Council resources and negotiation with AFMET.

OTHER OPTIONS CONSIDERED –

(1) To do nothing would see the management activities continue at the current level resulting in restrictions for the Group, a limited offer and inflexibility in meeting the demands as set out in the Business Case. This would result in a negative impact to both the Group and community. AFMET have presented a robust Business Case which demonstrates extensive social return on investment which requires a longer term lease in support of the proposal and result in continued use of the site. It is not considered a viable option to continue to operate the site as is currently as the Council risk unnecessary and negative publicity as well as potentially being wholly liable for the site, together with all future associated expenditure including any missed opportunity of investment into or expansion of the current use and activities.

(2) The freehold disposal of the site has not been considered at this time. A leasehold arrangement is more relevant given the original gift of the site and the Grade II Listed status and ensures the Council retains an element of control. This is in respect of mitigating risk in maintaining the condition of the building and in the event the proposal is no longer viable which impacts on the on-going use of the building. This would enable the Council to take action to seek alternative use of the site and prevent any unauthorised uses, which a freehold disposal would remove.

5. Is it an Urgent Decision? If yes, specify the reasons for urgency

N/A – it is not a Key Decision needed to be made urgently.

6. Anticipated outcome(s)

To complete a 25 year lease at £1 per annum (if demanded) to AFMET C.I.C.

7. Have the Premises been marketed by advertising or by auction? (if not why not)

Yes. The Property was openly marketed by Messrs. Scott's Property whereby interest was expressed by Friends of Cleethorpes' Heritage (FOCH) and the preferred transferee AFMET.

8. Background documents considered:

Valuation Report;

Cabinet Report 24th October 2018

9. Does the taking of the decision include consideration of Exempt Information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

10. Monitoring Officer Comments

The Legal Implications contained in the Cabinet report of 24th October 2018 are deemed to be repeated here.

Cabinet agreed the principle of the disposal and delegated authority to the Director of Resources and Governance and the Portfolio Holder for Regeneration, Housing, Skills and Assets to consider and agree valuation evidence which was lacking at the time of the report.

If the Director and Portfolio Holder so agree then the disposal is able to proceed on the terms of this Officer Decision Record.

11. Section 151 Officer Comments

The value in loss of market rent over the period of the lease is £218k, which averages out at approximately £9k per annum.

This is more than offset by savings in revenue costs from retaining the property, estimated at £11k per annum, with additional community benefits adding further value for money.

The Council will retain liability for maintaining the exterior of the building less any element that is agreed to be charged back to the tenant as part of a service charge (see section 4 above).

12. Human Resource Comments

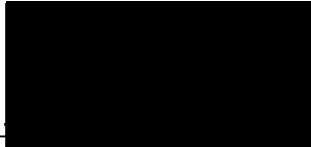
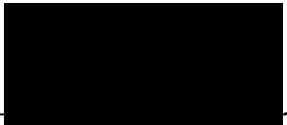
There are no direct HR implications contained within this report

13. Risk Assessment

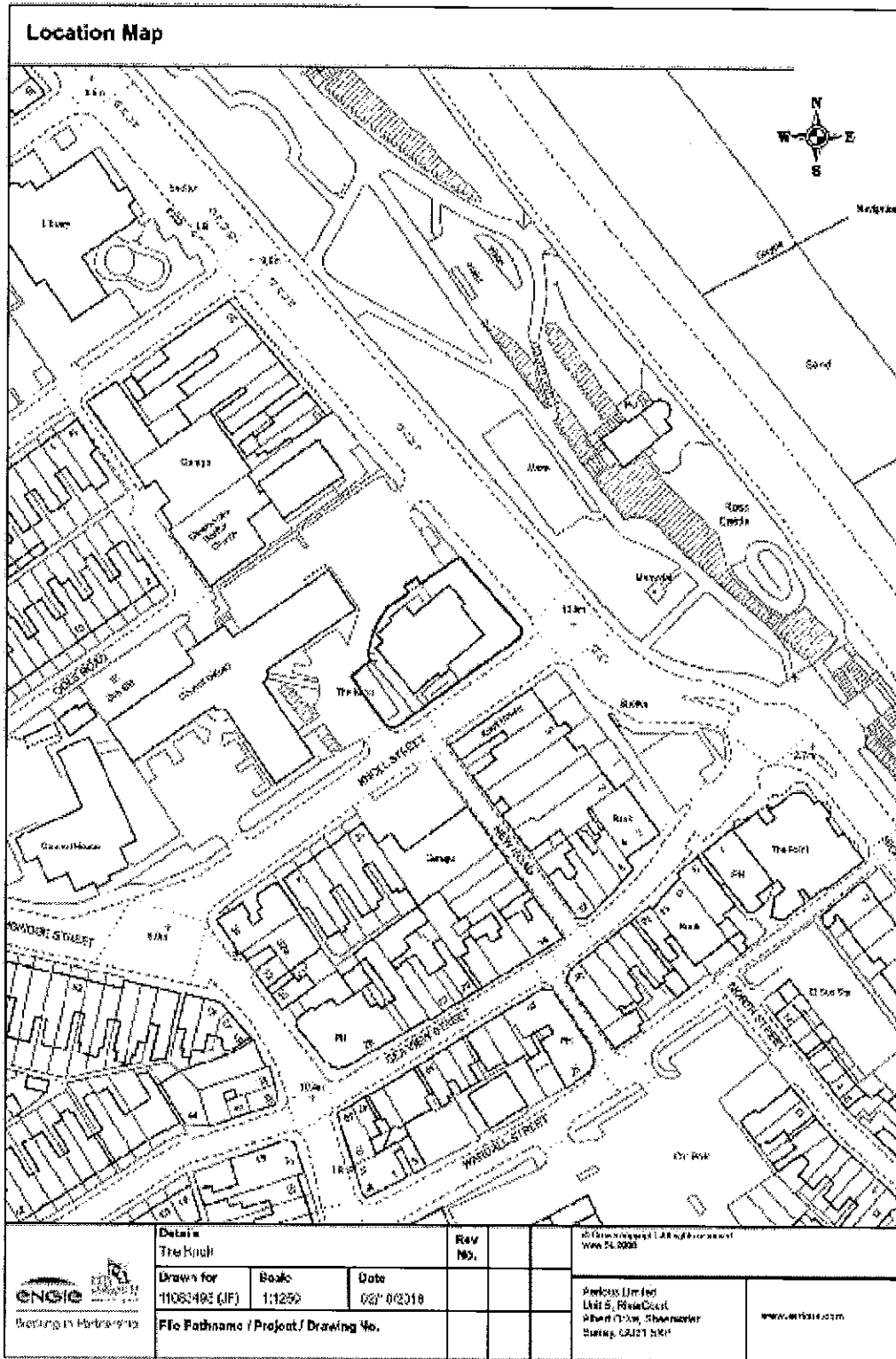
Crime and Disorder – The Property is within an established residential location and whilst acts of crime and vandalism have so far been limited, full occupation and use of this Property will ultimately keep any on-going risk to a minimum.

Diversity – The Lease provides the opportunity for the internal condition of the Property to be invested and refurbished (subject to funding) which will benefit both the Property and use in the longer term.

Value for Money – The recommendation to Lease this Property as outlined within this report will reduce the costs associated with maintaining all aspects of a property and enable a CIC to secure external grant funding in support of future projects.

14. Notification of Ward Councillors (Croft Baker Ward)	Cllr Annie Darby Dated: 13/03/2019 Comments: None Received	Cllr Oliver Freeston Dated: 13/03/2019 Comments: None Received	Cllr Kathryn Wheatley Dated: 13/03/2019 Comments: None Received
15. Consultation with Portfolio Holder:	Name: Cllr P Wheatley Title: Portfolio Holder for Regeneration, Housing, Skills and Assets  18.3.19 Signed and Dated		
16. Decision maker:	Name: Sharon Wroot Title: Director of Resources and Governance  18/3/19 Signed and Dated		

Appendix One – Site Plan

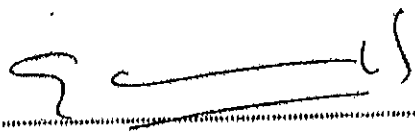


Working In Partnership

VALUATION REPORT & CERTIFICATE (Property Management)

FINANCE DIRECTORATE

FROM:	Christopher Hanson, Surveyor – New Oxford House		DATE:	20 th March 2019	
TO:	Solicitor to the Council – c/o Legal Admin, Municipal Offices		OFFICER:	CH/Knoll	
2:	Property Records Section – New Oxford House		CLIENT:	Assets	
SUBJECT:	NEW LEASE – THE KNOLL – ARMED FORCES MAJOR EVENTS TEAM				
PROPERTY:	The Knoll, Knoll Street, Cleethorpes, North East Lincolnshire, DN35 8LL				
WARD:	Croft Baker	URAN:	11083493	REUTP:	Yes
INTEREST/RIGHT:	New Lease of land and buildings. North East Lincolnshire Borough Council is the freeholder.				
VALUATION TYPE:	Market Value	VALUER:	Christopher Hanson		
TERMS:	EXISTING:	PROPOSED:			
DEVELOPMENT:	Site area 812.3 sq m; Building area 413.3 sq m N/A	Site area 812.3 sq m; Building area 413.3 sq m N/A			
LANDLORD:	North East Lincolnshire Borough Council		North East Lincolnshire Borough Council		
TENANT:	Joint Services Major Events Team North East Lincolnshire Limited Occupying part under Tenancy at Will dated 4 th November 2016		Armed Forces Major Events Team -North East Lincolnshire Community Interest Company (company registration number 10849279) The Knoll Knoll Street Cleethorpes North East Lincolnshire DN35 8LN		
USE CLASS:	N/A	The Demised Premises are to be used as office accommodation in support of the Tenant's business activities, a community police station, a community hub and café associated with Armed Forces related activities with ancillary areas, car parking and grounds and for no other purpose.			
TERM:	N/A	25 years with effect from the date of completion			
RENT:	N/A	£1 per annum, if demanded			
ADDITIONAL:	N/A	As per the attached Heads of Terms; to be agreed as appropriate			
COSTS:	N/A	Each party to bear their own costs			
REPRESENTATION:	SOLICITOR:		SURVEYORS:		
	Wilkin Chapman – FAO Laura Lougher Cartergate House 26 Chantry Lane		N/A		

Grimsby DN31 2LJ Tel:- 01472 265991 Email:- laura.lougher@wilkinchapman.co.uk			
DEED/VOKENS	RF82	EMERGENCY	HS344463
		BUYER	N/A
INSTRUMENT NO	CUSTOMER NO	N/A	
FINANCE	ACTION	No action required	
AUTHORITY/REGISTRATIONS: Construction Phase (Responsibility for the work) - Section 5 (B) - 1st March 2019 The certificate is provided for the stated purpose and for the sole use of the named client. It is confidential to the client and no responsibility is accepted whatsoever to any other person. with all rights reserved. (Formerly the RICS Appraisal and Valuation Manual)			
Authorised by 'Officer Decision Record' dated 18 th March 2019			
CAVEAT/LIMITATIONS:			
1) This valuation certificate is produced for internal purposes only and is not in accordance with the provisions of the RICS Appraisal and Valuation Manual (The New Red Book). 2) Neither the whole or any part of this valuation certificate nor any reference thereto may be included in any published document or published in any way without specific approval. 3) This valuation certificate should not be regarded as valid for more than 6 months from the date of issue. 4) This valuation certificate is provided for the stated purpose and for the sole use of the named client. It is confidential to the client and no responsibility is accepted whatsoever to any other person. 5) This valuation has been carried out by an external valuer qualified for the purposes of the valuation.			
It is hereby certified that the above amount and terms are such as to be capable of recommendation for the purpose stated.			
SIGNED BY: GEORGE LEWIS 			
DATE OF CERTIFICATE: 20.3.19			
George Lewis BA (Hons) MRICS, Estates and Valuation Manager, New Oxford House, George Street, Grimsby, North East Lincolnshire, DN31 1HB			

CABINET

DATE	28 November 2018
REPORT OF	Councillor Peter Wheatley – Portfolio Holder for Regeneration, Housing, Skills and Assets
RESPONSIBLE OFFICER	Sharon Wroot – Director of Resources and Governance
SUBJECT	DISPOSAL OF PROPERTY AT LESS THAN BEST CONSIDERATION – Lease disposal of The Knoll, Knoll Street, Cleethorpes, North East Lincolnshire, DN35 8LN.
STATUS	Open
FORWARD PLAN REF NO.	GENERAL EXCEPTION Not included on the Forward Plan therefore, to be considered under the General Exception provisions of the Constitution.

CONTRIBUTION TO OUR AIMS

The disposal of The Knoll (the “site”) by way of a 25 year internal repairing and insuring lease will enable Armed Forces Major Events Team-North East Lincolnshire, Community Interest Company (No. 10849279) (“AFMET”) to expand their use, management and operation of the above site. Providing a lease for the above term at a peppercorn rent is based on the submission of a detailed Business Case proposal setting out the economic, environmental and social return on investment; the benefits of which far outweigh the monetary value that would be requested in rent over the term.

The lease disposal supports the Council’s outcome of ‘Stronger Economy’ by enabling AFMET to lease the premises for a sufficient period and by granting the rent at a peppercorn, ensures the proposal remains sustainable for the longer term. There would be a continued financial constraint placed on the Council in supporting this lease should there be material investment required into the condition of the building fabric. However the terms of the lease are yet to be finalised but as a minimum will result in all operational costs being met by the tenant, by reducing this expenditure meets our determination to be an efficient and effective Council.

The lease will also contribute directly towards the Council’s aim of supporting the development of ‘Stronger Communities’ by empowering AFMET to take on localised ownership, shaping their own future, providing support and opportunities for residents and visitors of the Borough. By enabling this lease, the Council will take reasonable steps to ensure that any term is viable for tenants and does not put local communities at financial risk.

EXECUTIVE SUMMARY

This report seeks authority to dispose, by way of a 25 year internal repairing and insuring lease, the subject site; namely The Knoll, Cleethorpes. The purpose of this report is to gain agreement to the Business Case proposal from AFMET, which will provide a social return on investment; far outweighing monetary equivalent to otherwise proposed rent as part of the Council's approach to Community Asset Transfers (CAT). Approval to the proposal will allow the granting of a lease of the site over the stated term at a peppercorn rent (£1 per annum, if demanded).

Providing such a lease agreement will result in the Council being responsible for the exterior of the building and all associated costs over the above term. However, negotiation in relation to a service charge mechanism whereby the Tenants could be liable for a certain level of maintenance to keep the exterior (and roof etc.) in good repair is to be undertaken.

The lease proposal is preferred due to the original gifting of the building as well as the building's significant historic nature being Grade II Listed. The lease would allow the Council to retain an element of control as Landlord. Whilst AFMET will continue to manage, and where possible invest in the property, it should be recognised that some key funding agencies may not lend or grant funding based on this type of lease agreement. The conditions within the lease will accommodate this so far as is reasonable and the Council will support, so far as it is able to, in such funding circumstances.

RECOMMENDATIONS

It is recommended that Cabinet:

1. subject to appropriate valuation advice, approves the principle of granting an internal repairing and insuring lease of the subject site for a term of 25 years at a peppercorn rent (£1 per annum if demanded) to Armed Forces Major Events Team-North East Lincolnshire, Community Interest Company ("AFMET");
2. in order to complete Recommendation 1 above, requests that the Director of Resources and Governance instructs a valuation on the site in order to complete the 'less than best consideration' report to be agreed under delegated authority as per Recommendation 3 below;
3. delegates to the Director of Resources and Governance and Portfolio Holder for Regeneration, Housing, Skills and Assets responsibility to agree the valuation advice and ensure that all necessary actions are carried out in order to complete and approve the detailed terms of the lease disposal;
4. authorises the Chief Legal and Monitoring Officer to complete all requisite legal documentation in relation to the matters outlined above.

REASONS FOR DECISION

A proposal has been received by AFMET which has been considered as part of the Council's approach to Community Asset Transfer (CAT). The proposal has been

agreed in principle which could result in the transfer of the subject site to AFMET by virtue of a 25 year internal repair and insure lease. The lease would enable the expansion of the current management and operation of the premises by AFMET who have demonstrated, through a detailed Business Case, that their proposal is sustainable and viable over the term. As the lease does not include the exterior of the building, there could be future costs to be met by the Council associated with the upkeep of the building. However, negotiation in relation to a service charge mechanism whereby the Tenants could be liable for a certain level of maintenance to keep the exterior (and roof etc.) in good repair is to be undertaken and any future level of investment will be subject to Council resources and negotiation with AFMET.

1 BACKGROUND AND ISSUES

- 1.1 The Council is the freehold owner of the subject site; for the purposes of this report, the site is shown edged red indicating the extent of the site being leased to AFMET as per the attached plan at Appendix one.
- 1.2 The site is currently occupied by AFMET, who have held an all-inclusive lease interest of the first floor since April 2014. More recently, following the withdrawal of the Council's requirement to use the ground floor, AFMET have held a 'Tenancy at Will' to occupy the ground floor, following a decision by the Council that this space was surplus to requirements.
- 1.3 The Council has an agreed Community Asset Transfer (CAT) approach to consider proposals where certain organisations and groups demonstrate they contribute significant social, economic or environmental benefits to the community - benefits which can be taken in lieu of the monetary value being proposed in rent. The CAT approach allows proposals to be considered through an agreed governance process, including in principle support at key milestones, resulting in a formal Cabinet approval.
- 1.4 The proposal, by way of a detailed Business Case was received from AFMET and further to supplementary information being provided, was considered at a Stage 3 CAT meeting of officers and community representatives on the 21 September 2018. The proposal was recommended by the Panel with the following observations:
 - 1.4.1 To progress a 25 year internal repairing and insuring lease only could reduce the number of external funding agencies who may be able to release funds in support of proposed works to the building as the responsibility of the exterior would remain with the Council. It is therefore proposed that Legal Services advise whether the lease is capable of including conditions to satisfy funding agencies as the successful award of funding for the external of the building would also benefit all parties.
 - 1.4.2 That the Council would continue to be responsible for the repair and maintenance of the exterior of the building and as such whether the lease could include a service charge mechanism to take account of a certain level of maintenance. This could result in one or a combination of costs of work a) being recharged to or undertaken by the Tenant; b) jointly

undertaken and costs shared between both parties or c) solely undertaken and costs met by the Council. As part of finalising the details of the lease, Legal Services will advise whether the lease can be structured to mitigate some of the risk and expenditure being met by the Council.

- 1.5 When considering proposals such as these, the Council must demonstrate the social return on investment reflects, as a minimum, the loss of any potential rent, and reasons that a rent element could impact negatively on the sustainability which may result in the management of the site becoming unsustainable. The Council has been satisfied that the proposal to approve a 'less than best' transaction is based on sufficient social and economic benefit, which is stated as part of the submitted Business Case. The figures provided, whilst requiring necessary factors to be taken account of, clearly far outweigh the monetary value that could be requested in rent and supports wider community benefits which are of a direct contribution to the Council's outcomes of 'Stronger Economy' and 'Stronger Communities'.
- 1.6 The proposal to set the level of rent at a peppercorn would ensure the use and management of the site remains sustainable, with the monetary value being realised through social benefit. The responsibility for maintenance of the internal aspects of premise will be with AFMET, as would all future investment opportunities. However, negotiation in relation to a service charge mechanism whereby the Tenants could be liable for a certain level of maintenance to keep the exterior (and roof etc.) in good repair is to be undertaken and any future level of investment will be subject to Council resources and negotiation with AFMET. This will enable AFMET to continue to manage, and where possible invest in the property and will allow for exploration of external funding opportunities in support.
- 1.7 The Council must also consider the strategic reasons why it continues to hold property no longer in operational use. The Council's freehold interest in the subject site originated via a gift to the Council; and as the property is Grade II Listed and its physical location forms part of the wider Cleethorpes 'Civic campus' which includes the subject site, the adjacent Civic Offices and the Cleethorpes Town Hall, to dispose of the freehold of the site would break up the physical landholdings. It is therefore is not considered beneficial at this time. The proposed lease therefore will see the site being brought back into full use by the Community, as this has not seen effective use in recent years by the Council or its Partners, and would benefit from the proposal from AFMET.

2 PROPOSAL

- 2.1 A proposal received from Armed Forces Major Events Team-North East Lincolnshire, Community Interest Company (AFMET) sets out the Groups objective for a 'Single Point of Contact Centre' (SPOCC) or 'Hive' in response to the demand based on the current offer which is exclusive to the first floor of the building.
- 2.2 The Business Case evidences this need using National trend information. Use of National statistics as the source of demand allows extrapolation at a local level. The 'Social Return on Investment' analysis provided indicates the wider benefits

this proposal would bring to the Borough in providing a 'one stop shop' offer, including shared delivery with other agencies based from one location.

- 2.3 AFMET also state the use of the site has increased since its exposure during the National Armed Forces Event of 2016 and having taken a guardianship role of the building since, AFMET have invested in, improved and facilitated use of the ground floor on many occasions, providing refreshments on a 'free of charge' basis in supporting the Council and Partner initiatives use of the building.
- 2.4 The Business Case expands the current offer by AFMET and use of the premises since the organisation took occupation of the first floor of the premises on an inclusive lease in 2014 and a further 'Tenancy at Will' agreement for use of the ground floor in early 2017.
- 2.5 The lease of the first floor does not include any maintenance obligation. If agreed, a new lease of the whole building will be granted with internal repair and insuring obligations as well as responsibility for the operational costs of the building. This would result in a saving to the Council on average of £15,000 per annum. However, the Council would retain responsibility for the external of the building, therefore negotiation in relation to a service charge mechanism whereby the Tenants could be liable for a certain level of maintenance to keep the exterior (and roof etc.) in good repair is to be undertaken and confirmed in the lease to ensure it is clear as to what extent both parties will have under this obligation. This is linked to the ability for AFMET to be able to draw external funding and also limit the Councils future expenditure.
- 2.6 AFMET have already been successful in securing a grant, directed at improvements towards the building condition, received from the Ministry Of Defense (MOD) to the value of £75,000. The Council is the Accountable Body of the Grant and will monitor the project via quarterly meetings of the Board as well as receive regular reports on progress on the outcomes and milestones of the MOD project. It is also stated AFMET will measure and maintain outcomes of the project via individual records that will record the number and type of interventions that have been enabled as a result.
- 2.7 The profit and loss balance sheet included in the Business Case shows an overall healthy position over a six year period, which is predicated on an initial starting balance in Year One. The starting balance and ongoing annual income result in an average surplus each year which means the balance from year one will either remain, if the proposed income is maintained, or will gradually reduce. However, a reserve is built in and will be held to mitigate any reduction.
- 2.8 One of two income streams directly associated from the proposal that has been stipulated is a coffee bar. As the Group are a registered Community Interest Company (CIC), AFMET state any surplus will be reinvested into the activities outlined in the Business Case. There is also reference to hiring of rooms for meetings etc. however, the Group have stated that this income is not essential to the financial viability of the proposal.
- 2.9 A further income stream will be the occupation of part of the site by Humberside Police. The exclusive use of the area comprising of the rear extension at ground

floor level as well as an external secure compound will be formed by way of a sub-lease. The Police submitted an application and gained Planning permission for minor alterations to the internal area as well as constructing an external compound, equivalent of 6 car parking spaces, situated adjacent to the rear of the site. The sub-lease will result in capital building works and an ongoing inclusive rental income in support of the proposal. As part of the lease to AFMET, permission will be sought from the Council for the sub-tenancy.

- 2.10 It is clear to see from the Business Case that AFMET are keen to continue developing and managing the premises and in progressing a CAT, the organisation demonstrates the sustainability and viability required in the longer term. The Business Case is well articulated and shows the Group has established a successful operating model for the premise during the period of their current occupancy and are enthusiastic, knowledgeable and are very active in continuing their profile and involvement in the local area.
- 2.11 The proposal and social return on investment provides sufficient assurance of the viability of the proposal in respect to the financial standing of the Group and that they have the necessary resources in place required in managing this type of premise.

3 RISKS AND OPPORTUNITIES

- 3.1 The risk to the Council in progressing with a lease to AFMET is considered minimal. In the scenario of a lease, should the proposals no longer be viable, the option to relinquish the premise back to the Council and ultimately seek alternative opportunities or decommissioning could be pursued which would avoid the site incurring any future operational cost. It is noted however that leasing the premise as set out within this report will commit the Council to potential costs relating to the exterior of the building as this responsibility will remain with the Council. However, negotiations in relation to a service charge mechanism whereby the Tenants could be liable for a certain level of maintenance to keep the exterior (and roof etc.) in good repair are to be undertaken.
- 3.2 Future risks remain with AFMET in respect to the operational costs of utilities etc. and maintaining the internal envelope of a Grade II Listed building to an acceptable standard to ensure ongoing use. As stated previously, it should be acknowledged that some key funding agencies may not grant or lend based on this type of lease agreement. The Council will support where it is able in such circumstances.
- 3.3 There are no identifiable environmental sustainability implications as a result of the proposal, as it is the intention that the premise will continue to be maintained and improved on the basis of its current use. The longer lease will allow AFMET to expand and continue to occupy the premise and would allow for potential external funding to be obtained, allowing for ongoing maintenance and further improvements. The continued use will be a positive reflection to the street scene within an established and well used area within this part of the Borough and will reduce the financial commitments of the Council.

4 OTHER OPTIONS CONSIDERED

- 4.1 To do nothing would see the management activities continue at the current level resulting in restrictions for the Group, a limited offer and inflexibility in meeting the demands as set out in the Business Case. This would result in a negative impact to both the Group and community. AFMET have presented a robust Business Case which demonstrates extensive social return on investment which requires a longer term lease in support of the proposal and result in continued use of the site. It is not considered a viable option to continue to operate the site as is currently as the Council risk unnecessary and negative publicity as well as potentially being wholly liable for the site, together with all future associated expenditure including any missed opportunity of investment into or expansion of the current use and activities.
- 4.2 The freehold disposal of the site has not been considered at this time. A leasehold arrangement is more relevant given the original gift of the site and the Grade II Listed status and ensures the Council retains an element of control. This is in respect of mitigating risk in maintaining the condition of the building and in the event the proposal is no longer viable which impacts on the on-going use of the building. This would enable the Council to take action to seek alternative use of the site and prevent any unauthorised uses, which a freehold disposal would remove.

5 REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 5.1 There are positive reputational implications for the Council resulting from the decision to support a lease to AFMET. The lease agreement will primarily enable continued use of the premise and will allow expansion and the proposal to receive specific, tailored and localised management and the opportunity to invest and improve the site for the benefit and use by the community. The Council's communications service has been briefed of the proposal and will issue any information requirements in respect to this proposal.

6 FINANCIAL CONSIDERATIONS

- 6.1 The proposal outlined within the report supports the Council's key outcomes of a stronger community, by enabling AFMET to enhance its offering and support to the community and in maintaining the internal condition of the site; enable continued use and will ensure a Public owned site to continue to be used, enhanced and extended to support a recognised demand.
- 6.2 The management and internal maintenance cost of the site will be financed through AFMET's own resources. The Council however will retain responsibility for the external of the building as a result of the original gift and the Grade II Listing. However, negotiation in relation to a service charge mechanism whereby the Tenants could be liable for a certain level of maintenance to keep the exterior (and roof etc.) in good repair will be negotiated. Any future level of investment will be subject to Council resources and negotiation with AFMET which could reduce and in some cases, where appropriate, remove the financial commitment from the Council.
- 6.3 On an ongoing basis the proposal will require no revenue expenditure to be provided from the Council and result in an annual revenue saving of circa £15,000. This is consistent with the Council's policy to contribute to improved

value for money and supports the financial objective and our determination to be an efficient and effective Council.

7 CONSULTATION WITH SCRUTINY

- 7.1 There has been no consultation with Scrutiny to date.

8 FINANCIAL IMPLICATIONS

- 8.1 As identified within the report, revenue savings estimated at £15,000 per annum would be achieved from leasing out the property at peppercorn rent.
- 8.2 The level of potential loss of market rent or capital receipt on disposal will be identified and considered on receipt of valuation advice. A report for less than best consideration will be reviewed under delegated authority.

9 LEGAL IMPLICATIONS

- 9.1 Community Asset Transfers are a creature of the localism agenda enshrined in the Localism Act 2011 whereby responsibility for a Council asset is transferred to a voluntary or community group. It presents opportunities to ensure that facilities can continue to be available locally for social, community and public use.
- 9.2 In turn this exposes such groups to potential funding sources which are not available to a local authority in order to provide support and enhance sustainability of the asset and its use. This then has wider cohesive benefits for the local community.
- 9.3 Those benefits are partly tested by a valuation exercise to be overseen in accordance with Recommendations 2 and 3 as the Local Government Act 1972, s123, provides that whilst the Council may dispose of land in any manner it sees fit it is subject to the constraint that (except in the case of leases for less than 7 years) any disposal must be for the best consideration reasonably obtainable.
- 9.4 However, the General Disposal Consent (England) 2003 provides a general consent removing the requirement for Local Authorities to seek specific approval from the Secretary of State for a wide range of disposals at less than best consideration. Authorities are granted consent in circumstances when the undervalue does not exceed £2m and where the disposing Authority considers that the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the whole or any part of the area (the general power of wellbeing). Therefore, prior to completion a full specialist valuation process will have to be undertaken and captured in an appropriate Officer Decision Record given the delegation sought at Recommendations 2 and 3.
- 9.5 In order to attract such funding it is necessary for such groups to have a medium to long term right of occupation which necessitates a lease arrangement.
- 9.6 The Council has a well published policy promoting Community Asset Transfers subject to robust evaluation of a business case testing a groups wherewithal and viability.

10 HUMAN RESOURCES IMPLICATIONS

- 10.1 There are no direct HR implications arising from the contents of this report

11 WARD IMPLICATIONS

11.1 This proposal directly impacts on the Croft Baker Ward.

12 BACKGROUND PAPERS

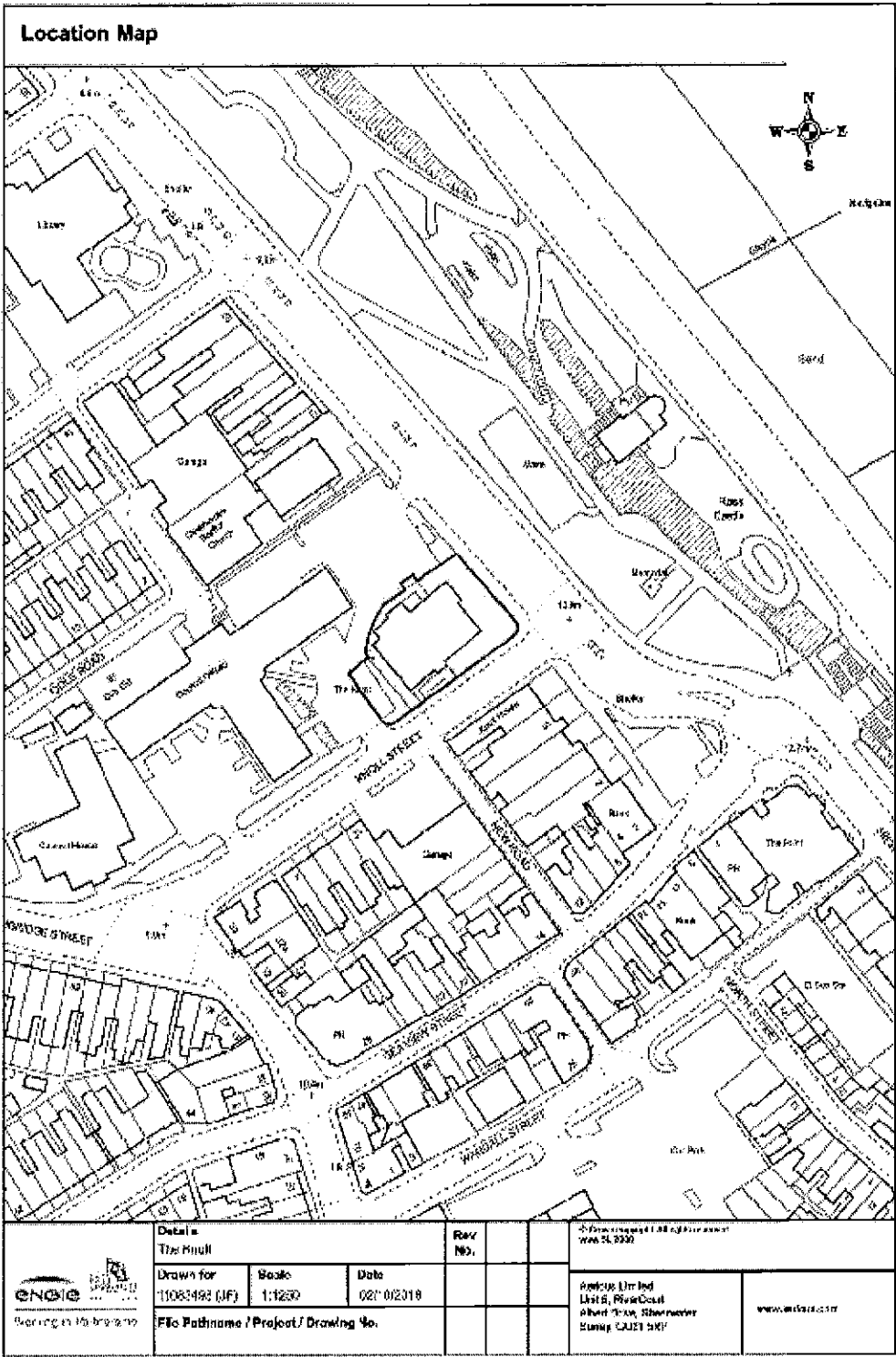
12.1 There are no background papers to this report.

13 CONTACT OFFICERS

Service Manager - Assets	Technical Advisor – ENGIE
Wendy Fisher	George Lewis
NELC	ENGIE
01472 323132	01472 324670

Councillor Peter Wheatley
Portfolio Holder for Regeneration, Housing, Skills and Assets

APPENDIX ONE - SITE LOCATION PLAN





Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)
To seek approval to award the contract for North East Lincolnshire Recovery Community following conclusion of the evaluation process.
2. Is it a Key Decision as defined in the Constitution?
Yes – delegated approval to award the contract was given at the Cabinet meeting on 29 th August 2018.
3. Details of Decision
<p>The successful provider will be responsible, over the three years of the contract, for establishing a North East Recovery Community, making it self-sustaining and at the end of the contract period to “hand over” the recovery community to the members. Just as each person defines their recovery differently this is also the case with Recovery Communities. For the initial establishment of The NEL Recovery Community we define a recovery community as a mutually supportive group of people affected by alcohol and /or drugs who are now abstinent and are seeking to move forward in their recovery journeys and remain abstinent. The community provides a warm and open environment where people know they will be accepted as they are because all involved “have been there” and also provides opportunities for accessing meaningful activities and connecting with the wider local community.</p> <p>Two responses to the tender were received, they were evaluated by a team of specialists and a successful tenderer identified. It is recommended the contract is awarded to Creative Start Arts in Health CIC as they submitted the Most Economically Advantageous Tender.</p>
4. Is it an Urgent Decision? If yes, specify the reasons for urgency
Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.
No.
5. Anticipated outcome(s)
The contract is awarded to the successful tenderer.
6. Details of any alternative options considered and rejected by the officer when making the decision
Not award – there was a successful bidder which met the quality requirements detailed in the tender documentation, there is no reason not to award the contract.

7. Background documents considered:

Cabinet report from 29th August 2018.

**8. Does the taking of the decision include consideration of Exempt information?
If yes, specify the relevant paragraph of Schedule 12A and the reasons**

No.

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

None

10. Monitoring Officer Comments
(Monitoring Officer or Deputy Monitoring Officer)

The above anticipated decision is consistent with the previous decision and delegations of Cabinet (29th August 2018) and the process followed is compliant with the Contract Procedure Rules and Public Contracts Regulations

11. Section 151 Officer Comments
(Deputy S151 Officer or nominee)

If the tender is accepted then a commitment of £149,230 will be being entered into over a 3 year period. This is just under the allocation that was set aside for this purpose. This will be met from the Public Health grant and there will be no call on Council corporate resources. The Public Health grant is currently a ring fenced grant until at least 2019-20.

12. Human Resource Comments
(Strategic Workforce Lead or nominee)


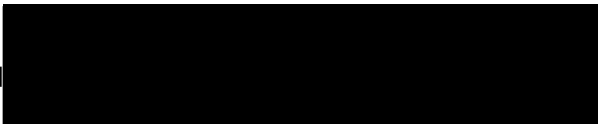
There are no direct HR impacts contained within this report

13. Risk Assessment (in accordance with the Report Writing Guide)

Increasing the number of people recovering from drug and alcohol addiction will provide opportunities to reduce crime and disorder in our communities as a large proportion of crime and disorder is associated with drug and alcohol.

It will also provide opportunities for clients to improve their wider determinants of health by accessing education, training and volunteering opportunities and accessing therapies that address the underlying causes of their addictions.

Commissioning the recovery service may also provide an opportunity to utilise the Public Health England capital grant which has been specifically allocated for this purpose. There is a risk that the capital grant will be lost if proposals are not brought forward soon.

14. Decision maker(s)	Name: Stephen Pintus Title: Director of Health and Wellbeing  Signed: _____ Dated: <u>24/3/19</u>
15. Consultation carried out with Portfolio Holder(s):	Name: Cllr. Jane Hyldon-King Title: Portfolio Holder for Health, Wellbeing and Adult Social Care  Signed: _____ Dated: <u>25-3-19</u>
16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor	Name: _____ Title: _____ <div style="text-align: right;">Signed and Dated _____</div>



Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)
<p>1.1 To Accept Accountable Body Status for c£80,000 (£40,000 Cultural Revival Fund [MCHLG] + c£40,000 Historic England) to complete a condition survey of the Ice Factory and subsequent works and or studies (within this budget) of the building to determine next steps.</p>
2. Is it a Key Decision as defined in the Constitution?
<p>No</p>
3. Details of Decision
<p>3.1 The Ice Factory is included on national and international at risk registers. Its condition is very bad and deteriorating rapidly. An ambition to pursue Heritage Led Regeneration of the building and wider area is included in the Local Plan (2013 – 32), with specific focus on the towns fishing heritage, the Greater Grimsby Town Deal and Heritage Action Zone. This project forms part of these programmes and also demonstrates partnership working between GGIFT (applicant), NELC (Local Planning Authority and Accountable Body) and ABP (landowner).</p> <p>3.2 As a building in NEL, the Council has a duty under Chapter 5 of the Planning (Listed Buildings and Conservation Areas) 1990 Act to take steps to properly preserve its listed buildings. The acceptance of Accountable Body status and commissioning of these reports forms part of this process, the results of which will lead to a better understanding of the building and possible next steps.</p> <p>3.3 In November 2018 the Council, in partnership with the Great Grimsby Ice Factory Trust (GGIFT) and ABP secured £40,000 of funding from MHCLG through the Coastal Revival Fund, with a further £40,000 matched by Historic England through the Heritage Action Zone programme. The Council has agreed to act as Accountable Body for the funds.</p> <p>The initial £40,000 grant will be spent on:</p> <ul style="list-style-type: none"> • Create a report on the buildings' condition.

- Produce a traffic light schedule of works (urgent, medium and long term) including costings.
- Provide a suggested programme of maintenance for the next 5 years.

The balance of the funding will be spent in 2019/20 and is likely to include the following activity

- Urgent Works as identified in the condition survey.
- Legal Advice

3.4 These studies will underpin any future bids for external funding for the Ice Factory to sponsors like Historic England and the National Heritage Lottery Fund. The feasibility studies will also inform ongoing work on the Town Deal with potential future investors in the Kasbah.

3.5 Acceptance of the Coastal Revival Fund is in accord with the Cabinet decision of 25 October 2017 (ref DN 66) which includes the following resolution:

"that authority be delegated to the Director of Economy and Growth in consultation with the Portfolio Holder with for Regeneration, Assets, Skills and Housing to deal with all formalities in connection with the implementation and the monitoring of the operation of the Conservation Area; to undertake any further consultation on the proposals as required; and to identify and secure all appropriate funding and grant opportunities to enhance the area whilst working proactively with ABP to secure the conservation and re-use of the heritage assets within the Kasbah."

4. Is it an Urgent Decision? If yes, specify the reasons for urgency
Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

No.

5. Anticipated outcome(s)

5.1 The initial condition report will survey the building to identify its condition. It will then identify and cost works required (using a traffic light system) to prevent further deterioration and preserve those features of interest. On receipt of this the Council will consider its next steps, aware of the remaining budget and the statutory powers available and also following negotiations with both funders and ABP.

6. Details of any alternative options considered and rejected by the officer when making the decision

6.1 The Council could have chosen to do nothing as an alternative to taking on the role of Accountable Body for the project. This option has not been pursued because of the duty placed on the Council though the 1990 Act and this would impact on the delivery of the HAZ delivery programme. It could also result in wider reputational damage to the Council.

7. Background documents considered:

Cabinet Decision Notice DN 66 (25 October 2017)

Heritage Action Zone Delivery Plan

**8. Does the taking of the decision include consideration of Exempt Information?
If yes, specify the relevant paragraph of Schedule 12A and the reasons**

No

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)**10. Monitoring Officer Comments**

(Monitoring Officer or Deputy Monitoring Officer)

It is the Council's ambition to pursue heritage led regeneration of the building and wider area, which is included in the Local Plan. This project forms part of the wider programmes including the Town Deal and Heritage Action Zone.

The acceptance of Accountable Body Status and the commissioning of the reports form part of the process of our duty to preserve listing buildings.

Acceptance of the Costal Revival Fund is in accordance with the Cabinet decision, with appropriate authority delegated to the Director of Economy & Growth, in consultation with the Portfolio Holder for Regeneration, Assets, Skills & Housing.

Information received through the project will be used to perform NELC's statutory functions. All works will be procured. All initial spend will be funded by external grant. Any proposals recommended from the survey reports produced will be subject to a separate financial appraisal before any Council funds are committed.

Potential risks of Accountable Body status will be mitigated by robust project management arrangements, supported by appropriate officers.

11. Section 151 Officer Comments
(Deputy S151 Officer or nominee)

There are no direct financial implications to the Council as a result of this. All initial spend will be funded by external grant.

Any proposals recommended from the survey reports produced will be subject to a separate financial appraisal before any Council funds are committed.

12. Human Resource Comments
(Strategic Workforce Lead or nominee)

There are no direct HR implications contained within this ODR

13. Risk Assessment (in accordance with the Report Writing Guide)

13.1 There are a number of potential risks to the Council in taking on the role of Accountable Body for this programme. These are primarily compliance risks and relate to matters including State Aid, procurement and other grant stipulations by MHCLG and Historic England.

13.2 These risks will be mitigated by the robust programme management arrangements to be put in place by the Council and its partner ENGIE, building on previous experience of delivering other grant programmes.

14. Decision maker(s)

Name: Chris Duffill

Title: Acting Assistant Director Strategy & Investment

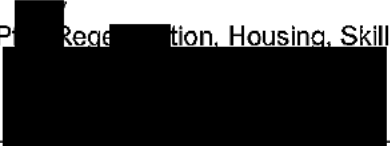
Signed: 

Dated: 27.3.19

15. Consultation carried out with Portfolio Holder(s):

Name: Cllr Peter Wheatley

Title: Portfolio Holder, Housing, Skills and Assets

 28.3.19
Signed and Dated

16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

Name:

Title:

Signed and Dated



Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)
<p>NELC Stray dog kennelling service contract:</p> <p>Decision to tender for a new service on a 2 year, plus 3 x 12 month extension basis.</p> <p>The total anticipated spend is in the region of £50k per annum. These costs are indicative and do not carry any guarantee of value or volume of business over the contract term. Actual future needs may vary up or down. A total service cost of approximately £250k is estimated based on this. This is a statutory service with contract to commence 01/07/2019.</p>
2. Is it a Key Decision as defined in the Constitution?
No.
3. Details of Decision
Whole life expenditure does not exceed £350k.
4. Is it an Urgent Decision? If yes, specify the reasons for urgency Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.
No
5. Anticipated outcome(s)
Tender process completed and provider found to supply the service and allow NELC to fulfil its statutory obligations.
6. Details of any alternative options considered and rejected by the officer when making the decision
Not applicable.
7. Background documents considered:
Not applicable.

8. Does the taking of the decision include consideration of Exempt information?
If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

Not applicable.

10. Monitoring Officer Comments
(Monitoring Officer or Deputy Monitoring Officer)

A procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015, and supported by relevant officers. Legal Services will support the completion of the contractual documentation on award.

A provider to supply this service will allow NELC to fulfil its statutory obligations.

11. Section 151 Officer Comments
(Deputy S151 Officer or nominee)

The service retains a budget to cover the costs of the current stray dog kennelling contract.

Any changes to that budget will be assessed following the completion of the proposed tendering exercise.

12. Human Resource Comments
(Strategic Workforce Lead or nominee)

There are no direct HR implications associated with the awarding of the contract.

13. Risk Assessment (in accordance with the Report Writing Guide)

14. Decision maker(s)

Name:

Carolina Borgstrom

Title:

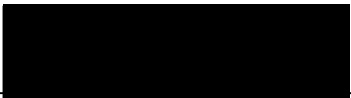
Assistant Director

Signed:



Dated:

27/03/19

15. Consultation carried out with Portfolio Holder(s):	Name: <u>CLLr. M. PATRICK.</u> Title:  _____ Signed and Dated <u>1/4/19</u>
16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor	Name: _____ Title: _____ _____ Signed and Dated _____



Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)		
To award the tenders for the installation of Energy Conservation Measures at the Cleethorpes Civic Centre, Cleethorpes Town Hall, and Grimsby Market Hall Stalls (key projects within the Smart Energy Greater Lincolnshire Programme) in accordance with the Cabinet decision dated December 2017 and not to award the tender for the Municipal Offices, as the single tender received is over budget.		
2. Is it a Key Decision as defined in the Constitution?		
No. (Not above £350k spend for the ones we want to award, or above £350k savings over 4 years)		
3. Details of Decision		
Pursuant to the Cabinet meeting on December 2017, where members approved:		
(9) 'That authority be delegated to the Director of Finance, Resources and Operations in consultation with the Portfolio Holder for Energy and Environment to award such contracts.		
(10) That the Monitoring Officer be authorised to execute all documentation in connection with awards.		
This includes detailed design and to appoint contractors to undertake the works subject to a competitive process, in accordance with the Council's Corporate Procurement Regulations and ERDF procurement guidance and subject to the tenders offering value for money carbon saving outputs within the Smart Energy programme.		
The tender was prepared by ENGIE's Property Technical Services Team through a competitive open tendering process in Lots. Five tenders were received on time for one or more of the Lots as shown in the Table below. Tenders have been evaluated by ENGIE's Procurement and Civil Engineering Design Teams and the Smart Energy Team for both quality and price. The preferred tenderers have been identified. The tenders indicated as successful in the table below are judged to be value for money for the ERDF carbon outputs afforded.		
Lot 1 Grimsby Municipal Offices - LED Lighting, BMS (Building Management System) 3rd Floor Heating	Two tenders received. One compliant tender received. Not value for money. No award recommended.	Preferred: - Price: -
Lot 2 Cleethorpes Civic Offices	Three tenders received.	Preferred: Wil-lec

- LED Lighting Upgrade, Solar PV Installation, Installation of New Control, BMS Panel	Two compliant tenders received. Tender is value for money. Award recommended.	Price: £142,566.87
Lot 3 Cleethorpes Town Hall - Replacement Boilers and Associated Equipment, , BMS and Metering (AMR), LED Lighting Upgrade	Two tenders received. One compliant tender received. Tender is value for money. Award recommended.	Preferred: SSE Contracting Price: £98,036.41
Lot 4 Grimsby Market Stalls - LED Lighting Upgrade	Four tenders received. Three compliant tenders received. Tender is value for money. Award recommended.	Preferred: Wil-lec Price: £60,025.78
Lot 5 Fishing Heritage Centre - Lighting Upgrade and Solar PV Installation, Mechanical, BMS, and Metering Works	One tender received. No compliant tenders received.	Preferred: - Price: -

4. Is it an Urgent Decision? If yes, specify the reasons for urgency

No.

5. Anticipated outcome(s)

To proceed with the award of the contracts for installation of energy conservation measures at Cleethorpes Civic Centre, Cleethorpes Town Hall, and Grimsby Market Hall Stalls.

To issue award letters to the successful and unsuccessful tenderers.

To not award the tender for the Municipal Offices or for the Fishing Heritage Centre.

6. Details of any alternative options considered and rejected by the officer when making the decision

The option of awarding the Municipal Offices tender was considered, but the high cost did not represent value for money for the carbon savings (ERDF outputs) possible.

7. Background documents considered:

Smart Energy Greater Lincolnshire bid to MHCLG, which sets out capital spend, quarterly targets and carbon savings expected of the programme.

Cabinet Report of 20th December 2017 : Smart Energy Businesses for Greater Lincolnshire (SEBGL)- European Regional Development Fund Application (ERDF)

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No.

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (In respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

10. Monitoring Officer Comments
(Monitoring Officer or Deputy Monitoring Officer)

A procurement exercise has been conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015, and supported by relevant officers. Legal Services will support the completion of the contractual documentation on award.

The specific awards detailed consider the ERDF procurement guidance and provide value for money.

11. Section 151 Officer Comments
(Deputy S151 Officer or nominee)

The procurements detailed within this decision record will be financed from ERDF grant monies awarded to the Council. It is anticipated that the investments will generate ongoing revenue savings in the form of reduced energy costs. Compliant procurement procedures will ensure that there is no risk of claw back of any grant awarded.

12. Human Resource Comments
(Strategic Workforce Lead or nominee)

There are no direct HR implications

13. Risk Assessment (in accordance with the Report Writing Guide)

Failure to award the tenders for the Cleethorpes Civic Centre, Cleethorpes Town Hall, and Market Hall Stalls Lighting will result in delayed progress with the Smart Energy, Greater Lincolnshire project which, if not achieving, could suffer decommitment of funds. Implementation of these projects will reduce energy bills for the council. Both affecting the objective of a "stronger economy" in North East Lincolnshire.

14. Decision maker(s)

Name: Clive Tritton

Title: Interim Director of Economy and Growth

Signed: 

Dated: 25/3/19

15. Consultation carried out with Portfolio Holder(s):

Name: Cllr Peter Wheatley and Cllr Patrick

Titles: Portfolio Holder for Regeneration, Housing, Skills and Assets / Portfolio Holder for Environment, Transport and Energy

 25/3/19
Signed and Dated

16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

Name: N/A

Title:

Signed and Dated



Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)

Our Microsoft Enterprise Agreement (EA) ensures we can maintain the licensed use of our Server and Client computing estate whilst remaining up to date and comply with the latest security patches and Microsoft updates. This is renewed every three years. The Data Centres, storage, email platform, physical and virtual server estate, that forms an element of the Microsoft EA, is shared with North Lincolnshire Council. This has enabled federation and collaboration between the two authorities and has supported the shared services to deliver the joint ICT Strategy. The Microsoft EA will continue to ensure we enable smart ways of federating, collaborating, data / document sharing and improving support for flexible working styles whilst remaining current and functional for both internal and external partners. It will enable us to maximise organisation productivity and agility and a Transformation Programme with additional people resources is required to deliver the new functionality that comes with the 2019/22 licence.

There is currently no additional capacity or flexibility within the shared services core operating model (ICT) to deliver the ICT Transformation Programme. As a result, a request for approval of additional funding to the value of £325k to fund a dedicated delivery team has been submitted and approved to ensure a successful implementation, and ensure that there is sufficient resource and skills, as well as no additional pressures to the shared services core.

By delivering this project through the dedicated resourcing outlined we will be able to implement the products purchased and achieve savings in a timely way as well as business benefits (e.g. productivity) for the organisation.

Due to the procurement of the new EA a previously approved Cabinet decision on 1st August 2018, for Microsoft Windows and Office has been negated due to these products being included within the EA. This has enabled the capital money, equating to £560K to be a non-requirement and has been relinquished.

2. Is it a Key Decision as defined in the Constitution?

No.

3. Details of Decision

Reason for decision:

To ensure sufficient resources, skills and capacity are in place to deliver dedicated ICT Transformation Projects in relation to Microsoft M365 and the Network Contract across North East Lincolnshire Council.

To ensure that products purchased are designed, developed and exploited to the full potential and identified savings for ICT in the Council's financial plan are achieved.

Decision required:

The funding for the ICT transformation delivery resource is approved as outlined above.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency

Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

Yes, due to the urgent need to commence work for the ICT Transformation projects.

5. Anticipated outcome(s)

By delivering the transformation through the dedicated resourcing outlined we will be able to implement the products and achieve savings in a timely way as well as business benefits (e.g. productivity).

6. Details of any alternative options considered and rejected by the officer when making the decision

A number of options were considered and rejected. These were:

- Do nothing; This would result in additional pressures on the current resources within the ICT service, and failure to deliver savings.
- Engage with third party contractor to implement the delivery of the programme of work.

After exploring the above the options, these were rejected due to the pressures of these options on the core team, and the associated costs.

7. Background documents considered:

Background documents considered were:

- Cabinet report - Windows Update - 1st August 2018
- Cabinet report - Redcentric Yorkshire and Humber Public Service Network - 29th August 2018
- Cabinet report - Microsoft Enterprise Agreement 365 - 26th September 2018

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

N/A

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

N/A

10. Monitoring Officer Comments
(Monitoring Officer or Deputy Monitoring Officer)

Funding for the ICT transformation delivery has been approved. By delivering through dedicated resourcing we will be able to implement the products in a timely manner and achieve identified ICT savings incorporated in the Council's financial plan, achieving value for money, without adversely impacting on the shared services core team. Legal support will be provided to ensure compliance with all internal and external obligations and regulations.

11. Section 151 Officer Comments
(Deputy S151 Officer or nominee)

As outlined within the ODR, the delivery team will result in additional cost of £325k, which will be funded through capital resources.

12. Human Resource Comments
(Strategic Workforce Lead or nominee)


Specific HR advice will be provided in respect of remuneration levels, process, and contractual arrangements in accordance with the recommendations in this report and to comply with the Council's Constitution, legislation and the Council's policies and procedures.

13. Risk Assessment (in accordance with the Report Writing Guide)


14. Decision maker(s)

Name: S WROOF

Title: DIRECTOR RESOURCES
& GOVERNANCE

Signed: 

Dated: 16/5/19

15. Consultation carried out with Portfolio Holder(s):	Name: <u>Mr Stan Shreeve</u> Title: <u>Portfolio holder Finance and Resources</u>  <u>22 May 2019</u>
16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor	Name: _____ Title: _____ _____ Signed and Dated