



Operational Officer Decision Record

Where the decision has a financial value of between £100k - £350k and does not have a **significant** impact on two or more wards

1. Subject and details of the matter (to include reasons for the decision and detail of any previous cabinet decision)

To appoint Queensberry Real Estate via an Exception Request for the Asset Management of Freshney Place, related to the Council's acquisition of the centre, as per the Cabinet report presented on June 22nd, 2022, which was approved at the full Council meeting on July 14th, 2022.

The asset management function concerns the management of the centre to derive the optimum use and income through the management of leases, tenancy arrangements and commercial use of the space available. The Asset Management team would agree and implement the business plans for Freshney Place, with and on behalf of, the Council. They would focus on keeping the centre occupied, ensuring future income generation is planned for, and helping enable delivery of the leisure and market hall development, and other major regeneration initiatives

2. Decision being taken

To permit the Executive Director Environment, Economy, and Resources to appoint Queensberry Real Estate to provide Asset Management services to the Council regarding Freshney Place shopping centre for a one-year period, at a cost of £150,000.

3. Anticipated outcome(s)/benefits

The Council is seeking to appoint Queensberry Real Estate to provide the Asset Management role outlined above.

The Council is in the process of acquiring Freshney Place., which is due to complete late July/early August.

As outlined above, the asset management function is critical to the success of Freshney Place, because it will oversee existing tenancies to ensure that income generation is maintained and improved where appropriate, whilst working with the Council to underpin extant regeneration strategies and emerging opportunities. Finally, the Asset Management role will support the development of new Leisure Scheme at Freshney Place, by seeking to generate additional occupancy that is critical to its success.

Because the Council is acquiring Freshney Place from the Receivers, there will be no existing Asset Management function in situ, upon completion. Therefore, the reason for seeking an exception is to ensure the Council has this function in place for completion of the acquisition.

The Council will procure Property Managers for Freshney Place, who will undertake day to day management, cleaning, security, etc. It is essential that asset and property management are closely aligned because the two need to work together to ensure the smooth management of the centre. As outlined above, the asset management provider will be working on behalf of the Council to ensure the centre operates successfully. Consequently, the appointment of Queensberry Real Estate to this role will mean they can support the Council in procuring a property management provider, ensuring close alignment between the two providers moving forward, which is beneficial for Freshney Place and the Council's ownership of it.

In addition to timing, the other key aspect behind this request is that Queensberry Real Estate has extensive knowledge of Freshney Place, as they have procured by the Council to provide Development Management services regarding the Leisure Scheme outlined above. Queensberry has been working with the Council for over 12 months on this scheme and built-up extensive knowledge of the centre whilst also developing relationships with current occupiers of the centre.

Consequently, appointing Queensberry Real Estate would provide the Council with a trusted supplier immediately upon completion, with existing relationships with occupiers already in place. This would enable a swift transition from the current owners to the Council, providing it with a service that is critical to supporting the centre's financial performance and reducing the Council's risk accordingly.

Queensberry Real Estate has extensive experience and knowledge of the UK retail sector and have supported Local Authorities throughout the UK with both development and operations of retail centres. The exception covers a time limited appointment of Queensberry, providing the Council with an opportunity to procure a medium to long term provider once the initial acquisition has been completed and the Council has taken control of the centre.

Finally, Montagu Evans (property consultants), procured by the Council to support the development and acquisition of Freshney Place on behalf of the Council has undertaken analysis of the proposed appointment of Queensberry and advised that it reflects the current market fees for this type of work.

In summary, this request is for an exception to enable the Council to appoint Queensberry to undertake Asset Management functions regarding Freshney Place, which is a critical service that will not be in place upon completion. Queensberry are a trusted supplier with appropriate experience to undertake this work and the Council has received independent professional advice that this reflects current market fees and therefore provides value for money to the Council.

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

The alternative option is not to appoint an Asset Management provider upon completion of the centre acquisition and seek to tender for these services.

This has been rejected because it is critical to ensure that the financial performance of Freshney Place is being supported immediately upon acquisition, to protect the Council's financial interest in the centre.

In addition, because of Queensberry's track record and existing knowledge of Freshney Place, their appointment will ensure a smooth transition for tenants regarding the Council's ownership.

5. Background documents considered (web link to be included or copies of documents for publishing)

None

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

No

7. 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

8. Monitoring Officer Comments (Monitoring Officer or nominee)

The above exception is supported given the market positioning of Queensberry, their previous knowledge and track record in delivery for the Council and the urgency with which service provision must be provided.

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

The appointment will help ensure that the Council has an effective management arrangement in place at the centre, on acquisition, and that will help achieve the optimum use and income generation through the management of leases, tenancy arrangements and commercial use of the space available.

10. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications

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

TBC

12. If the decision links to a previous one taken by Cabinet, has the Cabinet Tracker been updated?

Freshney Place Acquisition – Cabinet – 22nd June 2022

Freshney Place Acquisition – Full Council – 14th July 2022.

13. Decision Maker(s):

Name: Sharon Wroot

Title: Executive Director Environment
Economy and Resources

Signed: REDACTED

Dated: 23rd August 2022

**14. Consultation carried out with
Portfolio Holder(s):**

Name: Cllr Philip Jackson

Title: Leader

Signed: REDACTED

Dated: 23rd August 2022