

At a meeting of the CABINET held in the CIVIC CENTRE (COMMITTEE ROOM NO. 2) on Wednesday 27 November 2013 at 2.30pm.

Present:-

Councillor H. Trueman in the Chair

Councillors Blackburn, Gofton, Kelly, G. Miller, P. Smith and Speding

Also in attendance:-

Councillor Wood

Part I

Minutes

The minutes of the meeting of the Cabinet held on 6 November 2013 Part I (copy circulated) were submitted.

(For copy report - see original minutes).

1. RESOLVED that the minutes of the last meeting be confirmed and signed as a correct record.

Receipt of Declarations of Interest

There were no declarations of interest.

Apologies for Absence

An apology for absence was submitted to the meeting on behalf of Councillor P. Watson.

Local Asset Backed Vehicle - Preferred Bidder Stage

The Executive Director of Commercial and Corporate Services and the Deputy Chief Executive submitted a joint report (copy circulated) to provide an update on the progress made in respect of the procurement process for the appointment of the Local Asset Backed Vehicle (LABV) partner and the subsequent establishment of the proposed LABV (for the purposes of this report referred to as the Sunderland Delivery Vehicle (SDV)).

(For copy report – see original minutes).

Councillor Speding in highlighting the report reminded Cabinet Members that following Cabinet approval in July 2012, work had been undertaken to procure a LABV partner. He explained that a LABV was a public private partnership which would allow the Council to utilise its asset base, of properties and sites, to provide substantial leverage of private sector funding, capacity and expertise to proactively accelerate and deliver growth and regeneration in the City and to assist with achieving the aims of the Economic Masterplan.

Councillor Speding drew attention to the following key areas:-

- Objectives: The LABV had a number of key objectives including bringing forward and accelerating priority regeneration projects in the City and fulfilling the aims of the Economic Masterplan.
- As detailed in paragraph 3.5 of the report, the Council would be transferring its investment portfolio to the LABV on day one and development sites under option agreements and subject to pre-agreed conditions precedent over time as developments were progressed. An appropriate security package would be in place governing the transfer of assets. The private sector partner would bring significant capacity and expertise and significant leverage of private sector funding to deliver development on the key regeneration sites.
- The Council would have pre-emption rights on the investment portfolio i.e. it would be able to re-acquire the investment portfolio at the end of the life of the vehicle if it wished to do so.

Cabinet Members were advised there were three remaining bidders at the final detailed competitive stage of the procurement phase, namely:-

- A consortium led by Igloo Regeneration Ltd and Carillion Group plc (acting through Maple Oak Ltd);
- Langtree Land and Property plc; and
- A consortium led by Ramboll, and Calmont Project Services.

Councillor Speding reported that the submissions were evaluated against the six main criteria set out in paragraph 4.4, the outcome of which would be considered during Part II of the agenda.

The attention of Cabinet Members was then drawn to the next steps in the process, subject to approval of the recommendation for the appointment of a preferred bidder, which were:-

- Preferred Bidder appointment - November 2013
- Fine tune and finalisation of legal documentation - November – December 2013
- Financial Close / Completion - January 2014
- Operational commencement - February / March 2014

Councillor Speding reported that the progress made with this major procurement was very positive and it would bring additional capacity expertise and momentum to the drive to accelerate the regeneration of the City and deliver the aims of the Economic Masterplan.

Consideration having been given to the report, it was:-

2. RESOLVED that the contents of the report and the substantial progress made to date in respect of the LABV partner procurement process leading to a recommendation of a preferred bidder and the next steps in order to establish the Sunderland Delivery Vehicle be noted.

Local Government (Access to Information) (Variation) Order 2006

At the instance of the Chairman it was: -

3. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during consideration of the remaining business as it was considered to involve a likely disclosure of information relating to the financial or business affairs of any particular person (including the authority holding that information) (Local Government Act 1972, Schedule 12A, Part I, Paragraph 3). The public interest in maintaining this exemption outweighs the public interest in disclosing the information.

(Signed) H. TRUEMAN,
Chairman.

Note:-

The above minutes comprise only those relating to items during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.

