

**Record of  
Executive  
Decisions  
published  
28/Nov/2013**



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Sunderland

28 November 2013



# **Record of Executive Decisions Published: 28/Nov/2013**

**Decision Taker:** Cabinet

**Appropriate Scrutiny Committee:**  
Scrutiny Committee

**Date decision in force:**

06/Dec/2013

**Date of decision:**

27/Nov/2013

**Full description of decision:**

To note the contents of the report and the substantial progress made to date in respect of the Local Asset Backed Vehicle (LABV) partner procurement process leading to a recommendation of a preferred bidder and the next steps in order to establish the Sunderland Delivery Vehicle (SDV).

**Reasons for decision:**

The procurement process for the SDV partner, the appointment of a preferred bidder and the subsequent establishment of the SDV will enable the Council to form a public-private partnership with the selected partner utilising the Council's asset base, the partner's equity funding and expertise plus proposed third party finance to deliver economic and regeneration benefits to the City in accordance with the key objectives of the Economic Masterplan. In overall terms the SDV will deliver a financial return to the Council, enable leverage of partner and third party expertise, capacity and finance, and deliver significant economic regeneration benefits for the City.

**Alternative options considered and rejected:**

The Council could decide not to continue the LABV procurement process and not to appoint a preferred bidder. However the abandonment of the procurement process would not deliver the economic regeneration benefits for Sunderland as detailed in the report. The alternative options to the procurement and establishment of a LABV were considered and rejected by Cabinet on 18th July 2012. None of these options would deliver the same level of regeneration benefits for the City in the current market and in accordance with the same timescales as the proposed LABV.

**Title and author(s) of written report:**

Local Asset Backed Vehicle - Preferred Bidder Stage - Report of the Executive Director of Commercial and Corporate Services and the Deputy Chief Executive

**Contact Officer:**

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**Is this a key decision:** Yes

**Does the Decision contain Confidential/Exempt Information:** No

**Declarations of Interest and Dispensations:**

None

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**Decision Taker:** Cabinet

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**Date decision in force:**  
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### **Full description of decision:**

To: - - approve appointment of preferred bidder as detailed in report for Sunderland Delivery Vehicle on the basis of the evaluation set out in the report; - authorise Head of Financial Resources, Deputy Chief Executive & Head of Law & Governance to take all necessary action in consultation with Leader & Cabinet Secretary to clarify aspects of & confirm the commitments contained in successful tender, where required, & to thereafter proceed to legal & financial completion with the preferred bidder in order to establish the Sunderland Delivery Vehicle (& its subsidiaries) as a joint venture substantially on the terms set out in Section 5 of the report; - authorise the Chief Executive &/or the Head of Law and Governance to execute all legal documents that are necessary to give effect to this transaction; & - recommend to Council to appoint Leader of the Council, Cabinet Secretary, Deputy Chief Executive & Head of Financial Resources to the Board of the Sunderland Delivery Vehicle (& its subsidiaries).

### **Reasons for decision:**

The detailed & robust evaluation process for LABV partner procurement has demonstrated that preferred bidder submitted most economically advantageous bid for this opportunity. The proposed Sunderland Delivery Vehicle will enable the Council to form a public-private partnership using Council's asset base, partner's equity funding & expertise plus proposed third party finance to deliver economic & regeneration benefits to City in accordance with Economic Masterplan & also generate financial returns to Council. The SDV proposals will improve the concentration of new economic activity in the city centre and support higher value job creation, bring dormant sites back into use, offer a wider choice of housing to the market & position Sunderland as a place to invest.

### **Alternative options considered and rejected:**

The Council could decide not to appoint the preferred bidder and/or abandon the procurement process. However the detailed evaluation process has clearly demonstrated that the preferred bidder has submitted the most economically advantageous bid for the LABV. In addition, the abandonment of the procurement process would not deliver the economic regeneration benefits for Sunderland as detailed in the report. The alternative options to the procurement and establishment of a LABV were considered and rejected in a previous Cabinet report of 18 July 2012. None of these options would deliver the same level of regeneration benefits for the City in the current market and in accordance with the same timescales as the proposed LABV.

### **Title and author(s) of written report:**

Local Asset Backed Vehicle - Appointment of Preferred Bidder and related matters  
- Report of the Executive Director of Commercial and Corporate Services and the Deputy Chief Executive

### **Contact Officer:**

Paul Wilson

### **Extension:**

561 1782

### **Email:**

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**Declarations of Interest and Dispensations:**

None