

OFFICER DELEGATED DECISIONS FORM

State the Delegated Authority that you are relying on in order to make this decision: e.g. specific (identified in constitution) or general

The Executive report of 20th February 2018 which made the decision to proceed with the Centre Square Development set out the following. In particular b(iv)

That

- a. an allocation of £250,000 for the costs associated with site preparation, due diligence, specialist advice and statutory licenses with respect to the future intention to develop proposals to dispose of / develop the vacated Civic Centre site, including temporary use as a car park (with associated surface and boundary treatments), with appropriate uses with respect to the character of the Grade 2* listed Town Hall and emerging character of adjacent commercial areas, be approved; and,
- b. any changes to:
 - i. the substantive rental agreement (only where this has a positive net effect on the financial case) and is within the parameters of external advice;
 - ii. all operational decisions, site management obligations/arrangements and contractual arrangements associated with the management and administration of the principal and underlet lease agreements;
 - iii. the eligibility criteria for tenant businesses in the sub-let property;
 - iv. all contractual commitments for site marketing, maintenance and site management; and,
 - v. final approval of fit-out specification for the Council's accommodation;be delegated to the Executive Director for Growth and Place and Director of Finance, Governance and Support in consultation with the Executive Member for Finance and Governance and the Deputy Mayor and Executive Member for City Centre Strategy, be approved.

The appointment of Ashall Projects as the lead agent in the marketing of Building 1 at Centre Square. The appointment will be capped at £149,999.

Text of decision: e.g. can include monies received by the Council, list any terms agreed, brief summary of the policy – Do not include any confidential information.

Ashall Projects Ltd have been appointed as the Letting and Marketing lead for Building 2 and the A3 (restaurant unit) of Building 1 as approved by the Council's Executive 20th February 2018.

It was originally intended that Building 1 would be occupied by the Council and the letting of Building 1 was therefore excluded from this agreement.

During the construction of Building 1 there has been a number of parties interest in taking up occupation within the building, with one strong interest in particular. Subsequently, the Mayor and Executive determined that given the wider

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regeneration benefits of an external company taking up occupation of Building 1:

- **Long term revenue income to the Council;**
- **Increased business rates;**
- **Increased jobs within the centre of the town;**
- **Increased spend within the town centre to support retailers and restaurants;**
- **Additional footfall within Centre Square, increases viability of letting of café/restaurant unit within Building 1;**

Following a considered approach, the Mayor has placed the Council's move in to Building 1 on hold whilst this interest is fully considered.

Centre Square marketing

As part of the wider marketing of Centre Square Ashall's has engaged CBRE one of the worlds largest real estate agents and Dodds Brown one of the Tees Valley's most respected agents. They have also established wider marketing resources including:

- Developed website;
- Centre Square brochures;
- Promotional videos;
- Public Relations;
- LinkedIn and Twitter presence; and
- Communication plan

It is essential that Centre Square is presented and marketed as an entire estate providing a consistent approach to ensure that it is able to attract companies that match the Council's ambition for the development.

As identified above Ashall's have established all the resources and marketing for Building 2 and A3 unit of Building 1. As these resources are already developed and in place there will be economies of scale in appointing them as the marketing lead for Building 1, as the marketing of Building 1 will be encapsulated within these resources. Should another company be appointed there will be additional costs in establishing these resources for Building 1.

The identified fee for the letting of Building 1 is in line with the terms agreed for Building 2 and also with the industry norm for these services.

In order to ensure that Centre Square is competitive with other office developments in the region a consistent approach must be presented to the market. It is essential that there should be one point of contact for companies to deal with regards to lettings at Centre Square.

Should the Council appoint another party a disjointed approach would be damaging to the project. This could lead to potential of conflict of interests that both parties seek to source the same tenants which could drive down rental values and also raise credibility issues for the project.

There is also the potential that if an enquiry is received by either party for space and there isn't any available in either building there is no guarantee that this will be passed to the other team.

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Reason for decision: e.g. benefits, new legislation requires a policy, review of opening hours, non- key decision, outside of agreed budget framework

As Ashall have an established marketing materials and team, the marketing for building 1 will be able to incorporated within this, saving the Council money in terms of marketing costs. Should another company be appointed this will need to be developed and require additional financial resources from the Council.

The appointment of Ashall's will provide value for money as it is in line in with the terms agreed for Building 2 and also with the industry norm for these services.

Other options considered (if any)

Appointment of another team to market Building 1, this option has been discounted as it could lead to a potential disjointed approach to the letting of Centre Square. It is essential that Centre Square is presented to the market in a consistent manner and maximises opportunities to capture tenants to Buildings 1 and 2, but also potential further inward investment.

Has an Impact Assessment been completed Yes/No – if yes please attach to the decision.

No

Declarations of Interest by any member or relevant local government body

None

Who have you consulted as part of the decision making process e.g. Head of Service, Executive Member, Community Association, Surveyor?

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Procurement Manager

Principle Solicitor

Executive Director of Growth and Place

Strategic Director of Finance, Governance and Support

Deputy Mayor and Thematic Lead for Drugs

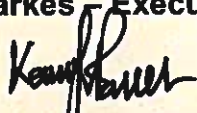
Executive Member for Finance and Governance

Date of decision

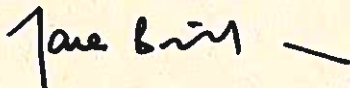
Service area

Name of Delegated Officer making decision - i.e. Officer who is designated the power in the Constitution

Kevin Parkes - Executive Director of Growth and Place



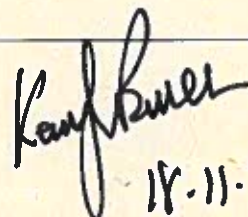
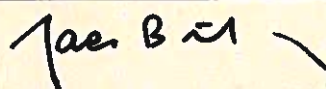
James Bromley - Strategic Director of Finance, Governance and Support



Name of the Officer making the decision – if power has been sub-delegated to another Officer.

List of background papers (do not list if contain exempt/confidential information)

Signed:



Dated:

18.11.19

18.11.19