

CABINET MEMBER DECISION



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Decision:

That approval is granted that the Company named in exempt appendix 1 to report DSK003 is selected as the private sector partner with whom the Council will set-up DeliverSK, and that due diligence and legal processes are commenced so that DeliverSK can be formally created and start work as soon as practically possible.

(1) **Details of Decision**

To undertake Confirmation and selection of the private sector partner for DeliverSK and commencement of legal processes to form the new partnership.

(2) **Considerations/Evidence**

DeliverSK will be the Council's arm's length physical growth and regeneration delivery vehicle. It will work alongside InvestSK to focus on delivering a range of potential projects, including (but not limited to):

- Medium and large-scale housing developments (including social and affordable housing)
- Office and employment space development and refurbishment
- Leisure facility development and refurbishment
- Mixed-use regeneration schemes
- Securing institutional investment and identifying grant opportunities

DeliverSK will manage multiple projects at different stages in their development simultaneously. In the September 2018 Cabinet report on establishing DeliverSK, it was noted that although a conventional procurement process would not be required, a transparent process would be undertaken to select a partner with the following characteristics.

- Experience of working with the public sector, sharing SKDC's values and commitment to growing the economy of the district
- Diverse access to capital markets and finance, creating necessary flexibility for different funding for different project types
- Commercial skills and experience across a range of corporate and property transactions and developments
- A commitment to a long-term partnership on a fair and equal basis, working constructively with SKDC representatives on project development
- Understanding the Council's ambitions and supporting community priorities and projects

A four-stage process was undertaken for partner selection.

Firstly, a long-list of options was drawn up of potential partners, either from their public presence in this sector, their participation in existing or past partnerships with the public sector, or because they had previously approached SKDC along a partnership or Joint Venture (JV) line.

Secondly, this long-list was narrowed to a short-list of potential partners based on the criteria above and a desk-top assessment of how they would 'fit' with SKDC and its distinct ambitions.

Thirdly, the 3 short-listed potential partners were asked to submit their proposals, which were then assessed.

Finally, the preferred partner from this process was invited to present to Councillor Goral, her Cabinet colleagues, and senior officers, on 12th December 2018.

More detail of the stages is provided in paras 1.6 to 1.10 below.

The details of the potential partners considered through this process are set out in the exempt appendix attached to this report to preserve the Council's commercial position. Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) applies to the information contained in exempt appendix 1 because it relates to the financial or business affairs of an individual or organisation (including the Council). Having regard to the public interest test, it is considered that on balance it is necessary to protect the Council's and the potential partners' respective commercial positions by applying this exemption. If that were not the case, the parties' positions would be compromised and/or prejudiced.

Stage 1

The long-list included a mix of institutional, local and specialist investment potential partner options. This was based on market intelligence, consideration of sector involvement in partnerships of different forms with local authorities, and direct approaches made to the Council by interested parties following the announcement of the DeliverSK initiative.

Nine potential partners were considered. These potential partners are named in Exempt Appendix 1.

Stage 2

Using the criteria set out in paragraph 1.2 above, the long-list was narrowed down to three. Evidence of the consideration of the potential partners against the agreed criteria is set out in Exempt Appendix 1.

Stage 3

All three shortlisted potential partners submitted their proposals, which were considered by the Strategic Director for Growth.

Stage 4

The recommended partner was invited to present to Councillor Goral and her Cabinet Colleagues. The presentation took place on 12th December, and Cabinet supported Councillor Goral in respect of the recommendation contained within this report.

(3) Reasons for Decision:

The recommended partner was selected following an agreed process that assessed a long-list of potential partners against criteria agreed by Cabinet on 6th September 2018.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Helen Goral
Cabinet Member for Growth and Communications

Date of Decision: 19 December 2018

Date of Publication of Record of Decision: 20 December 2018

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

31 December 2018