APPENDIX Z INCREMENTORS TO DUS.

From: Alan Richards [mailto:AlanRichards@southend.gov.uk]

Sent: 13 June 2018 18:20

o: <u>@voa gsi gov.uk</u>>

Subject: Seaway Leisure Scheme - s 123 Independent Review



I now have agreement to the scope of work required in relation to the <u>Seaway Leisure</u> scheme which we discussed a couple of weeks ago.

Savills have acted for the Council and have produced a detailed report on the scheme and certified that the arrangement provided for in the Agreement for Lease and Sale will secure best consideration for the Council pursuant to s.123 Local Government Act 1972 (LGA).

Some local interests have expressed concern that the Council has used Savills, despite them being appointed through a tender process and undertaking full conflict of interest checks. The concern arises because the Turnstone director leading the Seaways project is an ex-employee of Savills, working out of their Cambridge office some time before the project was even conceived. Savills acted for the Council. Turnstone had their own advisers (then DTZ).

Savills worked with us throughout the negotiation of the transaction and the Agreement for Lease and Sale and certified the transaction for s.123 LGA prior to exchange of the contracts in 2014. Given the passage of time and the evolution of the scheme to accommodate tenants requirements and deliver greater efficiency, Savills have now re-appraised, and re-certified the transaction recently as we prepare for a planning application to come in from Turnstone in the near future.

For the reasons set out above, elected councillors have told the seafront traders that the Council will have the s.123 certification independently reviewed. DVS is well placed to act with complete independence to undertake that review for the Council. Therefore I would be grateful if you would provide me with a price to undertake the following scope of work in this respect:

- 1. To receive and review Savills' Report and s 123 LGA letter. (Savills have confirmed to me that they will release their report and s 123 LGA letter directly to you on signature of a letter of reliance which they will issue to you directly on instruction. To give you an idea of volume, the report is 21 sides of A4 and the s.123 LGA letter is 2 sides of A4).
- 2. To confirm (assuming you agree of course) that:
 - a. Savills approach is reasonable and objective and appropriate
 - b. the conclusions drawn are reasonable
 - c. you concur with Savills approach, conclusions and s.123 LGA certification

On a strictly confidential basis, the Agreement for Lease and Sale, details of discharge of conditions, details/plans/schedule of the development, details of pre-lets, cabinet papers and authority letters and other relevant background information will be released to you along with any other relevant information that we have that you require to complete the assessment. Most of these will be useful to skim over rather than to study in detail but you can delve in to any of it as you see fit

Assuming a reasonable fee is agreed, we would require you to report with.

- 1 A letter or report marked private and confidential and dealing with points 2 a. to d. above
- 2. A further letter (which may be disclosed under FOI if requested) concurring with Savills' assessment of the s.123 LGA considerations and their certification.

I would estimate 3-4 days' work would be involved in this but you should take your own view.

Please could you confirm your inclusive fixed price (exl VAT) and estimated timescale from receipt of information for this piece of work, allowing for an inception phone call or meeting with me and/or Savills/Turnstone if you feel that would be helpful/necessary?

I am aware it may be helpful to discuss some or all of this and you may want more information about the type and volume of information to review — please feel free to call me when convenient.

Kind regards

Alan

Alan Richards MRICS

Head of Corporate Property & Asset Management – Southend-on-Sea Borough Council Creating a Better Southend

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