

**TITLE OF REPORT:**           **Approval of Schemes, Estimates, Tenders and Consents during the Summer Recess**

**REPORT OF:**               **Peter Udall, Strategic Director, Economy, Innovation and Growth**

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### **Purpose of the Report**

1. This report seeks Cabinet approval for:
  - (1) the Strategic Directors, Economy, Innovation and Growth and Housing, Environment and Healthy Communities and Service Leads, Major Projects and Corporate Property, following consultation with the Strategic Directors, Corporate Resources and Digital and Corporate Services and Governance, to be authorised to jointly approve schemes and estimates, and to invite and accept tenders over certain thresholds, during the summer recess following the Cabinet meeting on 19 July 2022 up to the date when Cabinet next meets (currently scheduled for 13 September 2022).
  - (2) The Chief Executive, following consultation with the Leader of the Council and in accordance with the terms of the lease between the Council and North Music Trust (dated 30 July 2019) to exercise the Council's authority as landlord to give consent to the renaming of Sage Gateshead.

### **Background**

2. The absence of Cabinet meetings during the summer recess could have a detrimental effect on the delivery of the capital programme and timely decision-making regarding the renaming of Sage Gateshead.

### **Proposal**

3. In order to avoid any delays in progressing capital building projects it is proposed that the Strategic Directors, Economy, Innovation and Growth and Housing, Environment and Healthy Communities and the Service Leads, Major Projects and Corporate Property, in consultation with the Strategic Directors, Resources and Digital and Corporate Services and Governance, are jointly authorised to approve the letting of any contracts relating to the Cabinet-approved 2020/2021 Capital Programme which exceed £250,000 in value. Such approval is to be in the form of either:
  - (i) an authorisation to invite or negotiate tenders in accordance with Rule 6 of the Contract Procedure Rules ("the Rules") or to conduct some other procurement process in accordance with the Rules and to award the contract to the economic operator submitting the most economically advantageous tender as determined by the Service Director, Corporate Commissioning and Procurement in accordance with the stated terms of the tender or other process and, where applicable, the Regulations; or

(ii) an authorisation subsequent to the conduct of a tendering process or other procurement process in accordance with the Rules to award the contract.

4. It is also proposed that the Chief Executive is given delegated authority to give consent, if request, to the North Music Trust (NMT) for a change of name for the premises demised to them under a lease between the NMT and the Council dated 30 July 2019 (currently known as Sage Gateshead).
5. The Leader and/or appropriate Cabinet Members will be consulted on delegated decisions taken if possible.
6. The necessary procedures will be followed if key decisions are being made, as set out in the Council's Constitution.
7. The actions taken under these special delegations will be recorded and reported to the next meeting of the Cabinet in September 2022.

### **Recommendations**

7. Cabinet is recommended to authorise:
  - 1) the Strategic Director, Economy, Innovation and Growth and the Service Director, Housing, Environment and Healthy Communities and Service Leads, Major Projects and Corporate Property, in consultation with the Strategic Directors, Resources and Digital and Corporate Services and Governance, to jointly approve the letting of any contracts relating to the Cabinet-approved 2022/2023 Capital Works Programme which exceed £250,000 in value. Such approval is to be in the form of either:
    - (i) an authorisation to invite or negotiate tenders in accordance with Rule 6 of the Contract Procedure Rules ("the Rules") or to conduct some other procurement process in accordance with the Rules and to award the contract to the economic operator submitting the most economically advantageous tender as determined by the Service Director, Corporate Commissioning and Procurement in accordance with the stated terms of the tender or other process and, where applicable, the Regulations; or
    - (ii) an authorisation subsequent to the conduct of a tendering process or other procurement process in accordance with the Rules to award the contract.
  - 2) The Chief Executive to exercise on behalf of the Council delegated authority to grant consent under Schedule III para 7.6 of the lease dated 30 July 2019 between the Council and the North Music Trust for a change of name for the premises demised under the lease and known as Sage Gateshead.

For the following reason:

To enable projects to progress and to avoid delay in delivery of the capital programme and its related expenditure and to enable timely consent to be granted for a new name for Sage Gateshead, if so requested by the North Music Trust.

### **Policy Context**

1. The proposal is consistent with the overall vision for Gateshead as set in the Thrive Agenda. In particular, creating the conditions for economic growth and improving health and wellbeing. The delivery of the capital programme is a fundamental element in the achievement of the Council's policy objectives.

### **Background**

2. Contract Procedure Rule 3.1 requires Cabinet approval before tenders can be invited/accepted for any works contract over £250,000.
3. The absence of Cabinet meetings during the summer recess could mean a delay in necessary approvals being granted and could have a detrimental effect on the delivery of the capital programme.
4. It is also possible that the Council as landlord will receive during the summer recess a formal request from the North Music Trust (NMT) to rename the building leased to them under a lease dated 30 July 2019 and currently known as Sage Gateshead.
5. NMT are currently carrying out a public consultation on a change of name which is deemed necessary due to an agreement between Sage plc and ASMG (the prospective tenants of the new the new arena and conference & exhibition centre development adjacent to Sage Gateshead): this agreement is for the new development to be named The Sage, and therefore, to avoid confusion between 'Sage Gateshead' and 'The Sage' (particularly in light of the former being operated by a charitable trust and the latter being operated on a commercial basis) the NMT intends to change the name of the building.
6. Under the provisions of the lease it is clear that as tenant, NMT is responsible for the naming of the premises, in whole or in part; however, this is subject to seeking consent from the Council. In order for a timely decision to be made by the Council should consent be sought during the summer recess, it is proposed that authority to grant consent be delegated to the Chief Executive.

### **Consultation**

7. In preparing this report, consultations have taken place with the Leader and Deputy Leader.

### **Alternative Options**

8. The alternative option of delaying decisions for scheme and estimates and tenders would jeopardise delivery of the capital programme and generation of capital receipts.

## Implications of Recommended Option

### 9. Resources

- a) **Financial Implications** – The Strategic Director, Resources and Digital confirms that the financial implications of decisions made under delegated powers during the summer recess will be recorded at the time they are made and included in the report to the next Cabinet meeting in September.
  - b) **Human Resources Implications** – there are no human resources implications arising directly from this report.
  - c) **Property Implications** – there are no property resource implications arising directly from this report.
10. **Risk Management Implications** - there are no risk management implications arising directly from this report.
  11. **Equality and Diversity Implications** - there are no equality and diversity implications arising directly from this report.
  12. **Crime and Disorder Implications** - there are no crime and disorder implications arising directly from this report.
  13. **Climate Emergency and Sustainability Implications** – there are no climate emergency or sustainability implications arising directly from this report.
  14. **Human Rights Implications** - there are no human rights implications arising directly from this report.
  15. **Health Implications** - there are no health implications arising directly from this report.
  16. **Ward Implications** - there are no ward implications arising directly from recommendation 1 of this report. The Sage Gateshead building is located in the Bridges ward.
  14. **Background Information** – None.