

Southend-on-Sea City Council

Expression of Interest

PROPERTY MANAGEMENT CONTRACT FOR THE VICTORIA CENTRE, SOUTHEND-ON-SEA

Southend-on-Sea City Council
Civic Centre
Victoria Avenue
Southend-on-Sea
Essex
SS2 6ER

January 2024

Introduction

Southend-on-Sea City Council (the Council) is seeking to engage with the market to appoint a property manager in relation to the Victoria Centre.

The Council purchased the asset in December 2020 and the current management contract is about to expire. The Council would like to engage with potentially interested parties, who have the relevant experience and knowledge to take over the contract for a period of three years.

The Victoria Centre extends to approximately 340,000 sq ft arranged over three floors together with an adjoining multi storey car park with 580 spaces. It is predominantly a shopping centre, albeit the Council is seeking to widen uses to incorporate further leisure and community uses. Rental income is in excess of £2 million per annum and the 2023 service charge budget was also set at over £2million. Current occupancy of the scheme is just over 80%.

The Council is very aware that it requires a highly specialised service and accordingly interested parties will need to demonstrate excellent experience in the management of shopping centres as well of some local knowledge of the City. This is an extremely important asset and interested parties will need to demonstrate they have the resources to deal with the asset, especially in the current economic environment.

Overview of our requirement

From 1st May 2024, Southend-on-Sea City Council would like to commission a property manager to act in relation to all property management matters appertaining to the Victoria Centre.

The contract will be for a term of three years and the manager will be expected to quote a fixed annual fee which will be payable from the service charge of the Centre. The service charge year runs from 1st April. The property manager will also be expected to report to and work with the incumbent asset managers.

If there is no interest expressed, the Council will use regulation 32 of the PCR (2015) to award a contract to the current provider for a maximum of 3 years.

A detailed scope of work expected is as follows:

Advisory and Reporting

- 1.1 Advising the Owner and Asset Manager on property management policy.
- 1.2 Formulating, preparing and (subject to the approval of the Owner) implementing an active management strategy to ensure that the Property is managed in accordance with the principles of good estate management.
- 1.3 Reporting to the Owner at an agreed frequency on matters relating to the management of the Properties.

1.4 Providing the Owner with relevant information in respect of forthcoming events to include rent review dates, termination dates, dates of tenancies and any other dates calling for management action by or on behalf of the Owner.

1.5 Providing copies of documents and policies as reasonably requested by the Owner.

2. Records, accounts, inspections and audits

2.1 Maintenance of up to date records and books of account.

2.2 Maintenance of proper file records and correspondence.

2.3 Maintenance of up to date schedules of tenancies, licences and arrangements for occupation, use and enjoyment of the Properties, details of rent review dates, periods and dates of notices required to be given, termination dates of tenancies and licences and other dates material to each tenancy requiring notices to be given by the Owner.

2.4 Maintenance of accurate copies of documents.

2.5 Production for inspection and audit of records and accounts.

2.6 Production for inspection to Tenants of service charge records and vouchers as Tenants may properly require.

3. Budgets

Production in the last Quarter of an Accounting Year for budgets of expenditure for the following Accounting Year and indicating recoverable and non-recoverable items or amounts of expenditure on services required to be undertaken by the Owner in relation to the Properties.

4. Accounting

4.1 Rendering interim monthly and full Quarterly accounts as required and in an agreed form (having regard to the manner and type of reporting to be expected of a chartered surveyor experienced in managing property of the size, nature and complexity of the Properties) each with balances and supporting documentation if the Owner requests it to be made available to the Owner of service charge monies received and expended in relation to each Property on each Quarter day or at such other interval otherwise agreed in writing with the Owner.

4.2 Rendering accounts of all revenue and expenditure for the Accounting Year within two weeks after its expiry or as otherwise agreed in writing during the Term.

4.3 Rendering audited service charge accounts within a period of four months after the service charge year end for the Properties.

4.4 Retaining service charge receipts in compliance with the obligations of the Owner under tenancies.

4.5 Complying with all procedural formalities required by VAT law and administrative practice in the UK including the issue of VAT invoices on behalf of the Owner and providing sufficient and timely reporting to support submission by the Owner to HM Revenue & Customs of its VAT returns.

5. Collection of service charge

5.1 Recovery of service charge contributions from Tenants.

- 5.2 Calculating, estimating and apportioning service costs and applying to Tenants for payments on an interim basis and on a final basis after the end of an Accounting Year.
- 5.3 Demanding arrears of service charge from Tenants, assisting solicitors and counsel and issuing instructions to solicitors or other collecting agencies for the recovery of arrears where appropriate.
- 5.4 Reporting service charge arrears of more than 14 days to the Owner.

6. Collection of rent

- 6.1 Recovery of rent contributions from Tenants.
- 6.2 Calculating, estimating and apportioning rent and applying to Tenants for payments on an interim basis and on a final basis after the end of an Accounting Year.
- 6.3 Demanding arrears of rent from Tenants, assisting solicitors and counsel and issuing instructions to solicitors or other collecting agencies for the recovery of arrears where appropriate.
- 6.4 Reporting rent arrears to the Owner as and when the Agent considers it appropriate or in respect of arrears in relation to a period agreed between the Agent and Owner.

7. Outgoings

Paying demands for rates, water charges, supply and service accounts and other periodical outgoings in so far as the Owner requires the Agent to do so and has made funds available to the Agent.

8. Services in relation to repairs

- 8.1 Arranging for works of maintenance, repair, renewal of buildings, structures and services at the Properties subject to prior authorisation of the Owner if beyond the pre-agreed general limits of expenditure.
- 8.2 Instructing contractors and professional advisers in connection with such work, subject to prior authorisation of the Owner if beyond pre-agreed limits of expenditure.
- 8.3 Regularly inspecting the Properties for the purpose of ascertaining whether the works referred to in this paragraph 8 are required.
- 8.4 Arranging for works required in case of emergency to the extent necessary to prevent danger to Tenants or members of the public.

9. Supervising Tenants' duties

- 9.1 Inspecting the premises of Tenants and requiring repairing and decorating obligations to be complied with where instructed to do so and subject to negotiation of an additional fee where the Owner requires the Agent to prepare a schedule of dilapidations and preparing schedules of dilapidations.
- 9.2 Inspecting and supervising and enforcing compliance by Tenants of their tenancy and/or occupation obligations as applicable.
- 9.3 Handling complaints from Tenants, members of the public and public authorities.
- 9.4 Dealing with applications for licences to assign, to sublet, for change of use and for alterations, obtaining references, considering references, considering proposed alterations and instructing solicitors where appropriate on the basis of recovery of fees from the Tenant.

10. Notifications

- 10.1 Notifying the Owner of upcoming rent reviews, renewal of tenancies under the Landlord and Tenant Act 1954 and surrenders.

11. General supervisory Services

11.1 The general supervision and administration of services and the performance of staff engaged at or in relation to the Properties.

11.2 Ordering supplies and replacement of expendable items.

11.3 Supervising performance of agreements by contractors and suppliers.

11.4 Arranging fire alarm systems and other emergency escape facilities to be tested and for regular fire practices to be carried out.

11.5 Arranging annual boiler and lift inspections.

11.6 Arranging tests on plant and equipment and annual change-overs on sprinkler systems and air and water supplies.

11.7 Arranging for compliance with statutory requirements in relation to health, safety and welfare of occupiers, users and members of the public in respect of the Properties.

11.8 Maintaining an accident book, copies of fire certificates and statutory reports and a fire alarm logbook.

Locally Defined Outcomes

To continue the rejuvenation of this part of the City Centre, creating an asset of which the community can use and be proud of.

Aims and Objectives

The main objectives are:

1. To increase revenue to the Council from the Victoria Centre.
2. To provide a vibrant mixed use scheme that is used by a large proportion of the local community.
3. To provide a well managed centre for both tenants and customers.

Pricing

SCC is proposing a fixed annual management fee, which will be payable quarterly in advance from the Service Charge account of the Centre.

The written confirmation of your company's interest in taking part in this Expression of Interest should be returned to the Council via an email to aleksandrahaker@southend.gov.uk

Your company's response to confirm interest must be received by the Council before:

14:00 Friday 19th January 2024.

Appendix 1 – Response

If you are interested in this opportunity, please complete the details below.

General Information

Organisation Name:

Your Name and position in organisation:

Organisation e-mail contact address:

Registered address:

Your telephone number: