



Reference: EIR4490

Request:

1. Who in the North Tyneside Senior Officer Team is responsible for this building?

The Strategic Property Team

2. What is the contractual arrangement between North Tyneside Council and Kymel Trading Ltd. Is it a straightforward landlord / tenant arrangement or lease?

The Authority does not have a contractual agreement with Kymel Trading Ltd, however, the Authority does have a lease agreement with Spanish City (NE) Ltd.

3. The planning breaches appear to have been funded and carried out by North Tyneside Council itself, not Kymel Trading Ltd?

The Authority has not funded any work to provide the external seating area at the Spanish City Complex which is located at the rear

4. Does Kymel Trading Ltd pay a commercial rent, or are they subsidised in any way by North Tyneside Council. Have rents and other charges been reviewed in line with inflation etc.

The financial arrangement for the letting is detailed within the lease which is publicly available from the Land Registry

On Item 4

I strongly suspect that Kymel was subsidised by way of free fixtures / fittings and consumables, the Councils published spends for 2018 show the purchase of around £173,881 of ancillary / consumable items for use by Kymel Trading Ltd. On some specific items I would like to request further clarification, given the significant sums of money involved. These items seem to be afterthoughts to cover things not included in the main building fit out.

- £ 9,812 3m mains leads (online at £5 / lead without discount - 2,000 leads?)
- £ 12,390 1 Ltr poly jug (online with a bulk discount at £1/ per jug - 12,390 jugs?)
- £ 27,670 1.3 m bay trees in faux lead pots (online without discount at £30 tree and £60 pot - 300 bay trees?)
- £ 26,406 White napkins (online @ £69 / per 1,000 - approx 400,000 napkins?)
There are more examples covering, trays, teapots etc, the list above is suffice to make the point.

My Questions - Summary

- a. Who is accountable for this site and the contract with Kymel Trading Ltd?

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- b. Is the actual contract with KYMEL TRADING LIMITED Company number 08718623? or SPANISH CITY (NE) LIMITED Company number 10179316.

The Authority has a lease agreement with Spanish City (NE) Ltd.

- c. Was the contract to run the Spanish City complex part of an open tender, if so were all the applicants applications aware of the availability of this additional funding?

At the meeting of Cabinet on 8th June 2015, authorisation was granted to the Head of Business and Economic Development, in consultation with the Elected Mayor; the Strategic Manager Finance and the Head of Law and Governance, to commence an EU compliant procurement process to identify a preferred provider for the management of the refurbished Spanish City Dome. This was to provide the Heritage Lottery Fund with the assurance that an established end user would take space in the Spanish City Dome and management of the completed complex on behalf of the Authority, which was a requirement of their grant submission process. The procurement exercise was completed on 4th November 2015, and Spanish City (NE) Ltd. were selected as the preferred bidder.

- d. If not an open competition how was Kymel selected?

N/A

- e. Is the money spent in 2018 a form of state subsidy?

It was considered against the State aid principles, Spanish City (NE) Ltd. was selected following a competitive dialogue procurement process. State aid was considered at the time. As this was a procurement exercise open to the whole of the market, the arrangements made with the successful bidder does not confer a selective advantage and as such, is not State aid.

- f. Who now owns these fixtures and fittings?

Fixtures and Fittings are owned by the Authority and are part of the leasing arrangements

- g. Is the authority responsible for repairs / replacements of fittings such as cooking equipment, fridges etc under a fair wear clause? Is the authority responsible for the repairs / ongoing maintenance of the building, or does this exclude wear and tear / damage caused by the tenant

The tenant is responsible for replacing the Authority's fixtures and fittings. The tenant is also responsible for internal repairs. The Authority is responsible for external repairs to the building including windows.

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- h. Does the authority hold and maintain a list of all publicly owned equipment in the Spanish City Complex, and is it available to the public, for example the comprehensive register of all artworks held by the council.

An inventory is attached to the lease which is publicly available from the Land Registry.

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