BEEHIVE, HONITON, DEVON
PRE-QUALIFICATION STANDARD QUESTIONNAIRE : INTRODUCTION, PROCUREMENT APPROACH, BACKGROUND & INSTRUCTIONS

LEASE OF THE BEEHIVE, HONITON, DEVON

PRE-QUALIFICATION OF LESSEES

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1. INTRODUCTION

1.1 This document describes the Town Council's approach to securing a new long-term lease of its Beehive building, Honiton, Devon and provides details of how potential suppliers (lessees) can express an interest through pre-qualification.

1.2 This document is part of a suite of documents comprising

INTRODUCTION

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ANNEX A – GUIDANCE ON THE SELECTION STAGE PROCESS

ANNEX B – NOT USED

ANNEX C – SELECTION QUESTIONNAIRE

PART 1: POTENTIAL SUPPLIER INFORMATION

PART 2: EXCLUSION GROUNDS

PART 3: SELECTION QUESTIONS

ANNEX D – EXCLUSION GROUNDS

1.3 The lessee will need a range of business skills to operate the Beehive as a community venue.

1.4 Honiton is a busy, attractive market town in east Devon with a population of 12,000 with further development sites.

1.5 Transport links to Honiton are served by the A30, Honiton main railway station and nearby Exeter Airport.

1.6 Honiton has a range of voluntary organisations, hospital, library, Police station and Thelma Hulbert Gallery.

1.7 Honiton's shops are mainly local, not many national chains. There is a busy High Street, active Chamber of Commerce and regular market three days per week in addition to occasional markets and events.

1.8 There are a number of annual events including the historic Hot Pennies, Market Charter Day, Honiton Show, Gate to Plate and a range of Christmas celebrations.

1.9 Honiton Town Council is an ambitious Council with 18no. elected Councillors May 2023 and has recently adopted the Civility & Respect Pledge and secured Foundation Level, National Association of Local Councils (NALC), Local Council Award Scheme.

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2. PROCUREMENT APPROACH

2.1 Honiton Town Council intends to invite offers from potential lessees to bid for the lease of the Council's Beehive building, Honiton, Devon.

2.2 The Council intends that its building (the Beehive) continues to be operated as a community venue for the benefit of Honiton's residents and wider area.

2.3 The Council intends initially to gather Expressions of Interest (EOI) from potential lessees and then in 2024 to issue a tender for lease to those suppliers that have pre-qualified.

2.4 The Council proposes to lease the Beehive for 30 years from September 2025 on a full repairing and maintenance lease at a peppercorn rent.

2.5 The lessee must demonstrate the proposed community benefit eg through Charitable Objectives.

2.6 The Council plans to base its selection of lessee based on a combination of quality and cost assessment 60/40 respectively.

2.7 It is anticipated that the long lease will not require a cost contribution from the Town Council instead income derived from the Beehive and café will support its operating costs. It is expected that the lessee is successful in securing Grants. The lessee may apply for Council Grants.

2.8 The Council will not be obliged to accept any of the offers.

2.9 The Council intends to enter an agreement to lease January 2025 and a lease from September 2025. Therefore, there would be a 6 months transfer from the current lessee.

2.10 TUPE implications are likely to apply.

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3. BACKGROUND

3.1 The Beehive was commissioned by Honiton Town Council and is wholly owned by the Town Council.

3.2 Construction of the Beehive was completed with handover to Honiton Town Council 2014.

3.3 The Beehive includes:

a. an auditorium
b. raked seating
c. “green” room
d. Reception
e. Café and kitchen
f. “Changing Place”
g. Disabled access
h. toilets
i. lift
j. meeting rooms
k. Town Council Offices
l. kitchen
m. hearing system
n. projection equipment
o. chattels

3.4 The Town Council has leased the Beehive to Honiton Community Complex (HCC) for 10 years ending September 2025 on a full repair and maintenance lease at a peppercorn rent.

3.5 HCC’s and BHL (café operator) financial statements to the Charity Commission can be found at the Charity Commission and Companies House.

3.6 A separate company (Beehive Hospitality Ltd, BHL) operates the café at the Beehive with net income contributing wholly to HCC’s costs.

3.7 BHL's financial statements to Companies House can be found at Companies House.

3.8 The building was constructed on land that was owned by East Devon District Council (EDDC) for the sole purpose of constructing the community building. The land was transferred freehold to the Town Council with an overage clause on change of use.

3.9 The Town Council has a Public Works Loan Board (PWLB) loan towards construction costs, which is currently £810k or £59k pa.

3.10 The Town Council's Offices are based in the Beehive of which the Council retains ownership.

3.11 There is a good programme of events and shows at the Beehive, in addition to regular lettings for classes and meetings.

3.12 The Town Council made the decision in February 2022 to continue to provide the Beehive as a community venue.

3.13 The lessee would be responsible for managing VAT implications from the community venue and café.

3.14 There are currently regular monthly liaison meetings between the Town Council and lessee and it is envisaged that these will continue.

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4. INSTRUCTIONS

4.1 This pre-qualification questionnaire is based on the standard Selection Questionnaire (SQ) prepared by Crown Commercial Service, September 2016[1] (superseded) and updated April 2023[2].

4.2 Whilst this is not a procurement contract for goods or services (but a lease) and the value may not exceed the EU thresholds, the Town Council has decided to use the standard Selection Questionnaire as a basis for its pre-qualification questionnaire to assess the suitability, capability, legal status, and financial standing of a potential lessee, and the questions are relevant and proportionate.

The Council is also governed by its Financial Regulations[3]. As a lease, it is not considered to fall within the jurisdiction of the Public Contracts Regulations. At a peppercorn rent and 30 years long lease at is considered not to have undervalue at more than £2m.

4.3 Supplier selection is a key stage in public procurement where gathering information on and making assessments of the prospective bidders' technical and professional abilities, economic and financial standing and whether any of the exclusion grounds apply.

4.4 The standard selection questions ask potential lessees to self-declare their status against the exclusion grounds and provide preliminary evidence of their suitability (i) to pursue a professional activity, (ii) economic and financial standing, and (iii) technical and professional ability. Usually, potential lessees will only be asked to self-assess, and the Council will check further evidence relating to the status of the winning supplier only. This reduces the burden on unsuccessful lessees providing evidence and, on the Council organisation, undertaking those checks.

[1] PPN_8_16_StandardSQ_Template_v3.docx (live.com)

[2] PPN 03/23: Standard Selection Questionnaire (SQ) - GOV.UK (www.gov.uk)
[3] HTC financial-regulations-england-February 2023 Final Copy 2023.pdf (honiton.gov.uk)

4.5 The standard selection questions are structured in 3 separate parts:

- **Part 1** - covers ***basic information about the potential supplier***, such as the contact details, professional body memberships, details of parent companies, group bidding and so on.
- **Part 2** - **constitutes** self-declarations of whether (or not) any of the ***exclusion grounds*** apply.
- **Part 3** asks for evidence and self-declarations of ***economic and financial standing*** and for self-declarations relating to ***technical and professional ability***.

4.6 It is important to be aware of and comply with the guidance and the standard selection questions in the attached annexes:

Annex A - Guidance on the selection stage process

NOT USED

Annex C - Selection questionnaire template

Annex D - Exclusion grounds.

4.7 The questionnaire attached to this document should be used to provide a response. The selected lessee will be required to provide evidence to the Town Council and the evidence of the selected lessee will be checked. If the selected lessee fails to provide the required evidence within set timeframes, or the evidence proves unsatisfactory, the award of the contract should not proceed.

4.8 The Council may require information that is proportionate and relevant to the procurement from any potential lessee at any stage if it is necessary to ensure proper conduct of the procurement.

4.8 Part 1 (potential supplier information), Part 2 (exclusion grounds) and Part 3 (selection questions) must be completed and returned to the Town Council.

4.9 It is mandatory for a potential lessee to complete Part 1, Part 2 and Part 3 of the questionnaire.

4.10 As Part 1 and Part 2 of the questionnaire provide a formal statement that the relevant grounds for exclusion do not apply to the potential lessee completing it, a completed form is required for each organisation the potential lessee will rely on to meet the selection criteria. This also means that where the potential lessee is actually a group of suppliers, including joint ventures and partnerships, each potential lessee in that group must complete Part 1 and Part 2 of the standard Selection Questionnaire self-declaration.

4.11 If the lessee is bidding on behalf of a group, for example, a consortium, or intends to use sub-contractors, there are different actions required for completion of Part 3 of the standard Selection Questionnaire compared to Part 1 and Part 2.

4.12 The lead lessee should complete all of the questions on behalf of the group and/or any sub-contractors. The group lead should make it clear who the lead member of the group is, and who will be contractually responsible for delivery of the lease.

4.13 All members of the group are required to provide the information required in Part 3 of the standard Selection Questionnaire. You may require members of the group to assume a specific legal form if awarded the lease, if considered necessary for the satisfactory performance of the lease. If the lead lessee is proposing to create a separate legal entity you should provide details of the actual or proposed percentage shareholding of the constituent members within the new legal entity. You should also provide the name for the new entity and details of its legal and operational structure.

4.14 It is appreciated that group arrangements may be subject to change, and the evaluation criteria allows that any updates to any bidding model can be provided to the Council during the procurement process.

4.15 The minimum economic and financial requirements are stated in Part 3. The methodology for assessing economic and financial standing is clearly described. The Council will assess proposals for a lease based on 60% quality and 40% cost.

4.16 The selected lessee will be asked to provide evidence to support responses to Part 3.

4.17 Potential lessees should provide details of lease examples or references from the past 3 years

4.18 Potential lessees are asked to return the completed Questionnaire by:

12 noon, Friday 29 March 2024 to:

Honiton Town Council

The Beehive

Dowell Street

Honiton

Devon

EX14 1 LZ