

Cabinet – 12 February 2020

Walsall's Regeneration & Development Pipeline: procurement of a strategic advisor

Portfolio: Councillor A Andrew

Related portfolios: N/A

Service: Regeneration and Development

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 To procure and appoint a Strategic Advisor, to advise upon and help drive the delivery of the Borough's ambitious development pipeline. The appointment of a Strategic Advisor will provide an additional expertise to the Council to facilitate and expedite the implementation of regeneration programmes and the delivery of development schemes that will result in the leverage of public and private sector investment and the creation of much needed new jobs, homes and floorspace; and therefore significantly contribute to the Council's priority for Economic Growth.

2. Summary

- 2.1 This report seeks Cabinet approval to enable the Council to appoint a Strategic Advisor (the Advisor) to complement the existing skills and resource in the Regeneration and Development Service, and expedite the delivery of the Council's development pipeline that will deliver employment floorspace, new homes and jobs; and also to improve the viability and vitality of Walsall Town Centre and its District Centres. The delivery of the development pipeline will have a positive impact on the Borough's ambitions for economic growth as set out in the Council's Corporate Plan (2018 – 2021).
- 2.2 The report outlines the procurement process that is being followed to appoint the Advisor, and the role the Advisor will play in developing the Council's pipeline of development schemes (**Appendix A**). Appendix A whilst not being exhaustive provides an indication of the ambitious schemes that are likely to require the Advisor's input and in turn contribute to the Council's aspirations for growth. The procurement process has commenced and the deadline for tenders to be returned is 13 February 2020. The report proposes that in order to appoint the Advisor at the earliest point after tender evaluation, a delegation to award the contract is sought; this will enable the Council to appoint the Advisor after all necessary statutory timescales have passed. Whilst it is still possible to report the outcomes

of the tender process to Cabinet at their 18 March 2020 meeting, awaiting this date may lead to delays in the appointment and the ability to call upon the advice to progress the pipeline. Therefore, at the time of writing this report it is not possible to provide details of the submissions received and the cost associated with the appointment. Paragraph 3.2 requests that Cabinet consider delegating the budget allocation for the appointment of the Advisor to the Executive Director for Economy and Environment in consultation with the Chief Finance Officer and the Portfolio Holder for Regeneration.

- 2.3 Once appointed, it is intended that the contract with the Advisor will operate as a call – off arrangement enabling the Council to manage the appointment and budgets. As and when necessary, officers will complete a task order that will provide details of the particular task, the deadline for completion and seek a fee proposal for the specific work. The Advisor will only provide their services upon receipt of a task order. It is envisaged that the Advisor will work with officers to consider the specific tasks that are required to develop the Council's pipeline. Upon appointment, an early piece of work that the Advisor will be asked to complete is a masterplan for Willenhall that will assist in delivering new homes and further economic and social benefits from the re-opening of the Walsall to Wolverhampton railway line.
- 2.4 This is a key decision because Cabinet approval will have a significant impact on two or more wards across the Borough.

3. Recommendations

- 3.1 That Cabinet agree to award and enter into a contract for the appointment of a Strategic Advisor to the Council for the regeneration and development pipeline following a compliant procurement process, for an initial term of 2 years, plus an option to extend for up to 2 x 12 month further periods, via the ESPO Framework 664 Consultancy Services Framework Lot 8f (Planning, Valuation and Infrastructure) and to subsequently authorise the sealing, signing or variation of any deeds, contracts or other related documents for such services. The range of service that will be provided are set out in **Appendix B**.
- 3.2 That Cabinet delegate authority to the Executive Director for Economy and Environment in consultation with the Chief Finance Officer and the Portfolio Holders for Regeneration and Finance, to approve the use of the Council's Budget(s) to finance the costs associated with the Strategic Advisor and in accordance with paragraph 4.31 and 4.32.

4. Report detail - know

Context

Walsall's Development Pipeline

- 4.1 Walsall's development pipeline is derived from a longstanding regeneration and economic growth ambition and vision set out in:
- Walsall Strategic Regeneration Framework (SRF)- Borough- Wide activity and 7 masterplan areas: Bentley Local Centre, Birchills & Reedswood, Brownhills District Centre, Darlaston District Centre, Goscote Lane Corridor, Moxley and Willenhall. A number of these activities have now been

incorporated within the Walsall to Wolverhampton Growth Corridor that has secured £60m from the £100m Government Land Fund to create sustainable and inclusive growth.

- Walsall Town Centre & Darlaston Strategic Development Area - Walsall Regeneration Company (WRC) Investment Prospectus.
- The Black Country Strategic Economic Plan (SEP).
- The Black Country Core Strategy (BCCS).

More recently the ambition is re-affirmed in the:

- Walsall Council Corporate Plan 2018-2021.
- The Black Country Enterprise Zone.
- The Walsall Site Allocation Document (SAD).
- Walsall Town Centre Area Action Plan (AAP); and the Town Centre Masterplan, supported by Cabinet at the meeting in July 2019.
- Emerging Delivery and Investment Plans written in conjunction with the West Midlands Combined Authority for Walsall Town Centre and the Walsall to Wolverhampton Growth Corridor.

4.2 Over the last 10 years, Walsall Town Centre alone has seen significant development with over £425 million invested to deliver 85,000sqm of floorspace across a variety of uses (including retail, leisure, office, health and education). This has helped secure more than 2,500 new jobs, as well as providing 300+ new homes. In addition to the development in the town centre, across the borough there have been over 1,000 new homes delivered; and over 39,000 sqm of new employment floorspace constructed creating approx 850 new jobs and leading to the development of over 10ha of brownfield land.

4.3 Looking forward the Council has ambitions to deliver:

- The 20 year vision set out in the Town Centre Masterplan that includes 10 key interventions. One of the main areas for focus is connectivity with aims to deliver a more visible and accessible train station and better links between the station and the main bus station. In addition to the ambitions set out in the masterplan, the Council is also aiming to deliver initiatives that will result in thriving town and district centres.
- 5000 new homes as a part of the Walsall to Wolverhampton Growth Corridor.
- 10,580 new jobs through the creation of 318,100 sqm of industrial floorspace and the remediation of over 782ha of land; including the development of the Phoenix 10 site in Darlaston that is the largest employment opportunity in the Black Country.

4.4 The Development Team within the Regeneration and Development Service, has led and supported the delivery of the projects that have achieved the outputs set out in paragraph 4.2 and will have responsibility to continue to deliver the outputs set out in paragraph 4.3. To facilitate the development of the Council's development pipeline, the Development Team has previously, when necessary, procured external consultancy support to enhance the expertise and capacity within the team. Often this has required a number of separate procurement processes, including open tender and the use of Council approved frameworks, to procure the necessary support.

4.5 The financial resource in terms of officer time and the time that is required to undertake a procurement exercise, regardless of whether this is through an open tender or a framework process, is considerable for both officers in the Development Team and Procurement Services. Following detailed discussion with Procurement, it is considered that it would be more prudent and cost-effective to procure a Strategic Advisor for the team. The Advisor would not only provide additional capacity but also the additional skill sets that are required but not possessed in-house within the Council.

The Strategic Advisor

4.6 The role of the Strategic Advisor will be to:

- Provide the Council with the necessary support and expertise to enable the development and delivery of the pipeline of schemes, an indicative list of potential schemes is provided within **Appendix A**. The overall ambition of the Council's development pipeline is to deliver much needed new homes, new employment floorspace that will lead to the retention and creation of new jobs for Walsall residents and the creation of an environment for our Town and District Centres to thrive. Whilst the overall ambitions of the Council's development pipeline in terms of outputs are set out in paragraph 4.3, specific examples include:
 - The development of Anson Junction (former Willenhall Sewage Works) that could deliver up to 31,500 sqm of new employment floorspace that could attract over 500 new jobs.
 - Delivery of a masterplan for Willenhall could provide up to 800 new homes, with residents benefiting from enhanced connectivity with the introduction of a new railway station in Willenhall District Centre that will provide links to Birmingham, Walsall and Wolverhampton. Furthermore, phase 2 of the Brownhills Residential Masterplan could provide up to 100 new homes to complement the existing whg development in Silver Street.
 - Opportunity to deliver mixed use developments in Walsall Town Centre to diversify the town centre offer; sites listed within **Appendix A** include Green Lane (former Police Station) and the former Jabez Cliff sites.
- Work alongside the Council's Regeneration and Development Service, becoming an integral part of the Council's delivery resource by adding capacity as required and importantly to transfer skills and knowledge.
- Proactively work with the Council's public sector partners, including the West Midlands Combined Authority.
- Proactively work with private landowners, developers and investors, to bring sites forward for delivery.
- Provide bespoke solutions to complex delivery issues that are capable of securing public and private sector investment.

4.7 The Advisor will be required to provide services relating to: Options and Feasibility Development, Agency Services, Delivery, Statutory Planning and any other services that may be necessary during the lifetime of the commission. A detailed description of the services that will be delivered by the Advisor is provided in the scope of service enclosed as **Appendix B**. In particular, the Advisor will be required to assist the Council to access funding opportunities by ensuring that projects are 'business case ready'. It is anticipated that the production of robust

project proposals will help the Council secure its fair share of public sector investment.

- 4.8 Following consideration of the services that are required from the Advisor and the procurement options available, the use of a Council approved framework was deemed to be the most appropriate procurement route. The procurement of the Advisor commenced in January 2020; the procurement process being used is a mini-competition under the ESPO Framework 664 Consultancy Services Framework Lot 8f – Planning, Valuation and Infrastructure. The ESPO Framework enables local authorities to procure the required services from a list of reputable consultancy firms who have already been through a fully OJEU compliant competitive tender process ensuring that all necessary background checks, including financial credentials, have been assessed.
- 4.9 The Council will procure one supplier, or lead consultant, for the role of Strategic Advisor. However, given the range of services that will need to be provided it is acknowledged that the Advisor will need to use specialist sub-consultants to assist with the delivery of the commission. Whilst there will need to be some flexibility to enable the Advisor to provide the necessary expertise, the Council's agreement will be required to replace any of the nominated key staff detailed within their tender response. It is expected that the consultancy team may consist of the following multi-disciplinary services:
- Property and commercial consultant
 - Planning and master planning consultant(s) including architectural services and stakeholder engagement
 - Economic and financial consultant (cost consultant and economic analysis)
 - Consulting engineer(s) – remediation, flood risk, highways, utilities, etc.
 - Environmental consultants- e.g. noise, ecology, heritage conservation
 - Other related Specialists (such as drainage consultants and tree specialists).

Assessment & award criteria

- 4.10 The tender documentation for the Advisor includes details of the evaluation criteria that will be used to assess all submissions. Whilst the ESPO Framework recommends an assessment criteria of 40% for price and 60% for quality, to ensure that the Council is in a position to provide a greater emphasis on the quality of the submissions received, an assessment criteria of 70% for quality and 30% for price has been agreed for evaluation purposes. It is considered that this emphasis on quality is essential given the range of services that the Advisor will need to provide and the reliance the Council will have on their advice.
- 4.11 The quality assessment requests potential bidders to provide a detailed account of their proposed methodology for each section of the scope (Appendix B) together with the key personnel who will be involved in providing each of the services. In addition to this, to assess knowledge and experience, the assessment criteria also asks potential bidders to provide an example of a similar commission undertaken by their company, and to set out how they would complete one of the key initial tasks that the Advisor will be asked to undertake upon appointment - a masterplan for Willenhall. These questions together with information requested on project management and risk analysis will enable a robust evaluation of the submissions received to take place.

Timeline

- 4.12 The deadline for the return of tenders is 13 February 2020. Officers will therefore not be aware of the number of bids or the identity of the bidders until after Cabinet has met. The ESPO Framework Lot 8f includes 17 service providers and officers are confident that a number of these firms will submit bids. Subject to Cabinet approval, it is anticipated that following review, scoring and the standstill period, the Contract Award to the selected Advisor will be made in early April 2020.
- 4.13 Under the terms of the ESPO Framework each commission can run for a maximum of four years. To ensure that the commission remains fit for purpose, the tender documentation proposes that the initial contract period for the Advisor will be two years, with the option for the Council to extend on a yearly basis up to a maximum of an additional two years.

Costs

- 4.14 The development pipeline consists of projects across the Borough that are at various stages of the project/ development lifecycle. To ensure that the appointed Advisor can be called upon to provide the wide range of services that the Council requires, it has not been possible to specify a list of specific work tasks for the potential bidders to provide costs against; instead the contract with the Advisor will operate on a 'call-off' basis. To ensure flexibility, the pricing schedule for the Advisor asks bidders to provide an hourly rate against a set number of hours. The set number of hours are comparable to a similar commission that officers are aware of at a neighbouring authority and are therefore considered to represent a reasonable estimate of the likely time to be incurred. However, the tender documentation for the Advisor makes it clear that there is no minimum guaranteed number of hours nor guaranteed minimum value for the contract. The indicative number of hours stipulated in the tender documentation and the total value that will be provided by bidders will be used for evaluation purposes only.
- 4.15 Once appointed, it is intended that as and when necessary there is a need to call on the Advisor, officers will complete a task order that will provide details of the particular task, the deadline for completion and seek a fee proposal for the agreed work. The Advisor will only provide their services upon receipt of a task order, providing the Council with control over the services that are used and costs incurred.

Legal agreement

- 4.16 The ESPO Framework also includes the Call-Off Terms that all potential bidders agree to when signing up to the framework. It is these Call –Off Terms that will form the contract between the Council and the selected bidder. The Council's Procurement Team are broadly content that the framework terms meet the Council's requirements; for example, details around intellectual property rights, confidentiality, warranties and representations, liabilities and insurance are all deemed to be acceptable; however, Legal Services will be consulted on the details of the contract before it is entered into. Whilst it is envisaged that the contract with the Advisor will be for a period of four years, there is an opportunity for the Council to review the arrangements after year two and agree a further two twelve month extensions if these are desired.

4.17 The ESPO Framework Call-Off Terms are a set of standard terms that have been tried and tested; however, the framework does allow bidders to request minor amendments to clauses as long as any such requests are agreed by the Council before award of Contract.

4.18 Council Corporate Plan priorities

4.19 The Council's Corporate Plan (2018-2021) focuses on five priorities. One of these priorities - Economic Growth for all people, communities and businesses is relevant to the procurement of the Advisor. In particular, the Advisor will play a key role in the development and delivery of the development pipeline and will therefore contribute to outcomes set out within the overall priority of:

- An infrastructure and business environment that supports job creation and accessibility throughout Walsall, supporting company expansion, relocation and competitiveness through sustainable job creation.
- Our town and district centres offer a distinctive and vibrant mix of retail, leisure, business, community and cultural opportunities, and new housing.

4.20 Risk management

4.21 The following risks should be noted:

Lack of interest

4.22 There is a risk that due to a lack of interest in the tender process that has commenced there will be no or very few submissions. Whilst this is a risk, it is considered that the likelihood of this arising is low given the number of consultancies on Lot 8f of the framework, and officers are aware of a number of similar commissions in neighbouring Boroughs and wider which have resulted in successful procurements.

Standstill period

4.23 During the standstill period of the procurement process, there is a risk that the Council's decision to appoint could be challenged by one of the unsuccessful bidders. Whilst this risk could materialise, any such challenge will be mitigated by the thorough evaluation process that will be followed and moderated by the Council's Procurement Team.

Appointed Strategic Advisor

4.24 There is a risk that upon entering into the contract or during the lifetime of the commission, the appointed Advisor may fall into financial difficulties that could jeopardise the commission. However, as part of the mandatory due diligence for the ESPO Framework, background checks and other appropriate due diligence has already been undertaken. Furthermore, any financial payments will be made by the Council in arrears and upon the production of an invoice. There is also a further risk that the Council, relying on information provided by the Advisor or its sub consultants, acts on the advice provided but that advice is found to be inaccurate; this could be problematic for the Council. However, the Council will rely on the professional indemnities of the Advisor to undertake appropriate due diligence to resolve the situation.

Working relationship with the Strategic Advisor

- 4.25 There is a risk that following appointment, issues arise that result in the need to terminate the contract. Whilst this is a risk that could materialise, the likelihood of this occurring is low as the assessment process or the selection of the Advisor is robust, including clarification meetings if required to meet the bidders. Furthermore, the appointment of the Advisor is for a period of two years followed by the option to extend for a further twelve months up to a maximum of two years, this will allow the Council and the Advisor to review the working relationship and agree any necessary steps to continue or cease arrangements.

Timescales

- 4.26 The Advisor will be appointed for a maximum of four years. The time required to develop and deliver the Council's development pipeline may exceed the duration for the Advisor's appointment. Should this be considered a possibility, the Council will look to commence a further procurement exercise to ensure that the appropriate resource is in place following the four year period, subject to the appropriate budgets being available at that time.

Budget

- 4.27 There is a low level risk that there will be insufficient budgets available to complete all the desired work tasks to support the development pipeline resulting in the inability to instruct the Advisor on all required activity. However, as set out in paragraphs 4.14 and 4.30, the budget allocation to support bringing forward the development pipeline will be managed by the instruction of work tasks within the available budget, and this will help mitigate against any potential overspends. Should the cost of the programme of work tasks be forecast to exceed the available budget then the review mechanisms that will need to be considered will include an assessment of the level of instructed work and the ability not to extend beyond the initial two- year contract period, and also a consideration of alternative budgets should they be available.

Work programme

- 4.28 As the contract with the Advisor will be managed as a call-off contract, there is a risk that the Advisor may not be in a position to provide the required services due to capacity or other issues. However, the tender documentation for the role specifies that the Advisor must be in a position to provide the necessary services as and when required and may be required to provide the same services for a number of schemes simultaneously. The ability to provide the required services will be assessed as part of the evaluation of bids. Furthermore, as the appointment of the Advisor does not prohibit the Council from procuring services from other relevant companies, the ability of the Advisor to provide the services requested will be monitored throughout the lifetime of the appointment and reviewed at the appropriate time within the contract timeline.

4.29 *Financial implications*

- 4.30 The pricing schedule contained within the tender documentation provides details of the Council's anticipated costs associated with the quantity of services envisaged as being required through the role of the Advisor. As set out in paragraph 4.14, the pricing schedule requests that bidders provide an hourly rate for all staff that will provide services; this will be assessed against a set number of hours that have been included by the Council for evaluation purposes. It is

anticipated that an estimate of cost for budgetary purposes will be obtained by applying a pro-rata calculation of the hourly rate over the maximum term available for the contract, four years.

- 4.31 As the deadline for submissions is 13 February 2020, officers are not able to inform Cabinet of the total cost for evaluation purposes. It is for this reason that it is recommended in paragraph 3.2 that the responsibility for the final budget allocation for the Advisor is delegated to the Executive Director – Economy and Environment, in consultation with the Chief Finance Officer and Portfolio Holder for Regeneration. It is anticipated that the funding for the Advisor will be provided from the Council’s revenue budget. However, officers will work with the appointed Advisor to capitalise as much of the costs as possible and charge these to any external funding secured to minimise the call on the Council’s resources.

Potential costs

- 4.32 To provide Cabinet with an indication of the potential costs, the tables below provide a list of roles for which an hourly rate is requested. The total number of hours for evaluation purposes only are 1450, or approximately 39 weeks based on a 37 hour week. In order to identify a potential cost estimate for the Advisor role, officers have considered the hourly rates of an existing Development Team commission and also considered the tasks required for the key priority projects. Based on this indicative exercise the potential cost for the Advisor could range from £500k to in excess of £1m over the four year period.

	Rate (£/hr)	Hrs *	Total (£)
Technician		100	£ -
Graduate		100	£ -
Surveyor/Planner		200	£ -
Senior Surveyor/Planner		200	£ -
Practitioner		400	£ -
Senior Practitioner		350	£ -
Partner/Director		100	£ -

Overall Indicative Value £ -

- 4.33 The pricing schedule also requests a discount structure that will be applied to the cumulative total spend of the hourly rates incurred throughout the contract. A percentage discount on hourly rates is requested for work above £100k, £200k, £300k and over £400k; when each total spend threshold has been reached the appropriate discounted rates will be applied to further work in the next price band. Whilst the discount rate will not form part of the evaluation process, it does provide an opportunity for the Council to achieve value for money.

- 4.34 The services to be provided by the Advisor exclude any financial advice. It is anticipated that any financial advice that will be required may be provided by the Council’s Finance Service; however, detailed financial advice that is required but cannot be provided by Finance will be provided by external organisations that will be procured separately, most likely via existing OJEU compliant framework

arrangements. The appointed Advisor will be required to work with the Council's financial advisor where work tasks require such input.

- 4.35 Whilst the appointment of the Advisor will not directly impact on the Council's Income & Commercial Policy, the development and delivery of the pipeline of schemes could in some circumstances result in the disposal of Council assets or could see the Council acting in a commercial manner; in such circumstances the Council's internal framework as set out in the Income & Commercial Policy will be followed.

4.36 *Legal implications*

- 4.37 The legal implications for the appointment of an Advisor are likely to be minimal given that the contract for the appointment has already been agreed with all potential bidders as part of the ESPO Framework that sets out terms and conditions of supply, subject to any changes that may be reasonably requested. Any such amendments will however require legal input to agree or otherwise; the Development Team will therefore consult with Legal Services where appropriate about the framework's terms and conditions before entering into a contract for the appointment of the Advisor,

- 4.38 The services to be provided by the Advisor exclude any legal advice; it is anticipated that legal advice that will be required by the Council will either be provided by our in-house Legal Services or by external organisations that will be procured separately, most likely via existing OJEU compliant framework arrangements. The appointed Advisor will be required to work with the Council's legal advisor where such legal support is needed. It is anticipated that the Council's legal advisor will provide all state aid advice required for the development pipeline.

4.39 *Procurement Implications/Social Value*

- 4.40 Officers in the Development Team have been working closely with Procurement Services to agree the procurement process for the appointment of the Advisor. The tender process and moderation of the evaluation has and will be led by the Procurement Team ensuring that all procurement requirements are adhered to. Further procurement activity is likely to be required in the development and delivery of the Council's pipeline schemes and one the services that the Advisor may be asked to provide is to advise and lead such procurement processes. The Advisor will need to work closely with the Council's Procurement Team to ensure that all necessary rules and regulations are followed, including requirements for OJEU.

- 4.41 As with all Walsall Council procurement exercises, the assessment criteria for the quality element of all bids includes a specific question asking bidders to set out how they will support the social value priorities as set out in the Council's Social Value Charter. The evaluation of the bids received will also consider how each bidder will add value to the Development Team specifically.

4.42 *Property implications*

- 4.43 There are no direct property implications as a result of the appointment of the Advisor; however, should the services provided by the Advisor result in the acquisition, development or disposal of a Council asset then there will be property implications to consider. The Advisor's scope of services provides for a range of

property related services including valuation and agency services which from time to time may be called upon to support the Council's wider asset management responsibilities, however separate budgets will be needed where the work is not directly associated with supporting the development pipeline. Where property implications arise, these will be considered at the appropriate time and Cabinet approvals will be sought where required under the Council's Constitution.

4.44 *Health and wellbeing implications*

4.45 Whilst there are no direct health and well-being implications that will arise from the appointment of the Advisor, the Council's development pipeline aims to contribute to the Corporate Plan as set out in paragraph 4.19 and specifically the delivery of new development will help support residents into employment, give them access to new homes of variable tenures, and provide greater amenity value through improved neighbourhoods. Health and wellbeing issues, in particular the Marmot objectives, will therefore be considered as part of the development and delivery of the pipeline.

4.46 The development of sites will require planning permission. As part of the planning process, a detailed consultation process with all statutory and non-statutory consultees will be undertaken, any health and wellbeing implications will therefore be further considered and form part of any resolution to grant permission.

4.47 *Staffing implications*

4.48 To date, considerable time has been dedicated to progressing the appointment of the Advisor from staff in Regeneration & Development and Procurement Services to agree and commence the procurement process. The appointment of the Advisor will however have a positive impact on staffing as the Advisor will become an integral part of the Council's delivery resource by adding capacity as and when required. As the Advisor will be appointed as an external consultant, there are no further staffing implications that need to be considered.

4.49 *Reducing Inequalities*

4.50 The appointment of the Advisor will not have a direct impact on any of the protected characteristics identified within the Equalities Act, and therefore an Equalities Impact Assessment is not required for this Cabinet report. All suppliers awarded a place on the framework have been assessed against various selection criteria, one of these is Compliance with Equality Legislation. In addition, there is a specific clause within the framework which holds the bidder and any of its sub-contractors accountable for any breaches of such legislation throughout the lifetime of the contract.

4.51 The creation of employment floorspace, new jobs and homes will have a positive impact on all communities and therefore all equality related issues will be considered as part of the development of each of the Council's pipeline schemes.

4.52 *Consultation*

4.53 This Cabinet report has been prepared in consultation with Procurement Services, Finance and Legal Services; Procurement Services in particular have been

working closely with the Development Team to agree the procurement process and have subsequently led this process to appoint the Advisor.

- 4.54 It is envisaged that the community and other stakeholders will be consulted on individual schemes as and when is appropriate, for example, one of the first tasks that the Advisor will be asked to complete is a masterplan for Willenhall , a key project within the Walsall to Wolverhampton Growth Corridor. The Advisor will be required to lead and or assist officers to complete all necessary consultation to ensure stakeholder buy-in and the delivery of inclusive growth.

5. Decide

- 5.1 There are three options to consider: do nothing; recruit additional in-house officers; or procure a Strategic Advisor to provide a range of services required to develop and deliver the Council's development pipeline.

- 5.2 Do Nothing: Whilst this is an option and requires the team to continue to procure services as and when they are required; it is no longer viable due to the time and resources that are required within the team and the Procurement Team to complete each individual procurement exercise. There is an option to utilise approved procurement frameworks (such as the ESPO Framework) – whilst this can be an efficient way to procure services, time and resources are still required to complete the required process and the Council now needs a more readily available expedient level of service.

- 5.3 Recruit additional in-house officers: Vacant posts currently exist within the Development Team and consideration is being given to filling these within existing budgets. Whilst this will help with capacity, it is considered that the wide range of skills and expertise that are required to develop and deliver the pipeline requires particular skill sets that are more likely to be available from external consultants with access to a number of disciplines; for example, architects, surveyors and environmental specialists. It would be difficult to recruit an individual with the range of skills that are required for the development pipeline.

- 5.4 Procurement of a Strategic Advisor: the procurement of an Advisor will provide access to the range of services (as set out in **Appendix B**) that are required to expedite the development and delivery of the Council's development pipeline. Furthermore, by appointing an external Advisor, the Council will be able to rely on their professional indemnities to mitigate against risks associated with due diligence that will need to be undertaken. Should there be budgetary pressures or a change in approach required then the Council is only bound to the contract for a two-year period, and unlike an employee appointment there are no costs associated with ceasing that contract at the end of the period nor in this call-off arrangement is the Council bound to any fixed costs.

6. Respond

- 6.1 Should Cabinet agree to the appointment of the Advisor to provide the range of service required to enable the development and delivery of the Council's pipeline schemes, officers will upon receipt of tenders on 13 February 2020 evaluate the submissions received and continue with the procurement process to appoint the successful bidder. Furthermore, once the evaluation process has been completed,

dialogue with Finance will conclude to secure a budget to provide the necessary resource to fund the Advisor. Final approval to utilise the Council's budget will be sought from the Executive Director – Economy and Environment, in consultation with the Chief Finance Officer and Portfolio Holder for Regeneration.

7. Review

- 7.1 Once appointed, the role of the Advisor will be monitored at regular intervals to ensure that the services that are being provided are fit for purpose and the Council is receiving value for money. After the initial two years of appointment, there will be an opportunity for the Council to review the commission and consider whether it wishes to continue with the services procured or to exit from the contract.

Background papers

N/A

Authors

Kauser Agha
Regeneration Officer

☎ 654756

✉ kauser.agha@walsall.gov.uk

Jo Nugent

Place Development Manager

☎ 654753

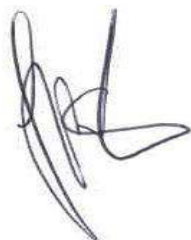
✉ joanne.nugent@walsall.gov.uk

Simon Tranter

Head of Regeneration and Development

☎ 654723

✉ simon.tranter@walsall.gov.uk



Simon Neilson
Executive Director

03 February 2020



Councillor Andrew
Portfolio holder

03 February 2020

Appendix A

Theme/potential uses	Priority Projects (in no specific order)	Current Status
Town Centre (office led)	Waterfront Lex	Pipeline Opportunity
Town Centre (mixed use)	Green Lane	Pipeline Opportunity
Town Centre (medical facility)	Challenge Block - Phase 1	Planned
Town Centre (mixed use)	Challenge Block - Phase 2	Pipeline Opportunity
Town Centre (office)	Hatherton Court	Planning Approved
Town Centre & Housing	Saddlers Quay	Planning Approved
Town Centre (mixed use)	Jabez Cliff	Pipeline Opportunity
Town Centre (mixed use)	Old Square Future Phases	Concept
Town Centre (housing led)	Station Street	Pipeline Opportunity
Town Centre (Education)	St Matthews- George Street	Planning Approved
Town Centre (mixed use)	Day Street	Concept
Town Centre (masterplan)	Greener Public Realm	Pipeline Opportunity
Town Centre (masterplan)	Railway Station	Pipeline Opportunity
Town Centre (masterplan)	Connected hubs	Pipeline Opportunity
Town Centre (masterplan)	St Matthews Quarter	Pipeline Opportunity
Town Centre (masterplan)	Enhance the market	Pipeline Opportunity
Town Centre (masterplan)	Waterfront Square	Pipeline Opportunity
Housing & W2W Growth Corridor	Walsall Gateway	Pipeline Opportunity
Housing & W2W Growth Corridor	Goscote Works	Planning Approved
Housing	Wards Keep	Planning Approved
Housing	Brownhills Residential Masterplan- Phase 2	Pipeline Opportunity
Housing & W2W Growth Corridor	Reedswood / Caparo	Planning Approved
Housing & W2W Growth Corridor	Birch Street	Pipeline Opportunity
Housing & W2W Growth Corridor	Willenhall Masterplan	Pipeline Opportunity
Industrial - employment opportunity	Middlemore Lane	Pipeline Opportunity
Industrial - employment opportunity	Wharf Approach	Pipeline Opportunity
Industrial - employment opportunity	Anson Junction	Pipeline Opportunity
Industrial & EZ	Tempus 10 - Opal Phase 1 & 2	Planning Approved

Industrial & EZ	Tempus 10 - Onyx	Pipeline Opportunity
Industrial - employment opportunity	Iron Park	Planning Approved
Industrial & EZ	Gasholders	Pipeline Opportunity
Industrial & EZ	Phoenix 10	Pipeline Opportunity
Industrial & EZ	Parallel 9-10	Pipeline Opportunity

|

|

Specification

1. Objectives & Deliverables

Set out below are the main objectives of the commission. Please note that this is not meant to be exhaustive.

- Provide the Council with the necessary support and expertise to enable the development and delivery of the pipeline of schemes that aim to not only increase the number of homes and employment floorspace across the Borough but also to improve the viability and vitality of Walsall Town Centre and its District Centres.
- To work alongside the Council's Development Team and where appropriate the wider Regeneration and Development Service becoming an integral part of the Council's delivery resource by adding capacity as required, and to transfer skills and knowledge.
- Proactively work with the Council's public and other private sector partners, including the West Midlands Combined Authority and where appropriate private landowners, to bring sites forward for delivery.
- To provide bespoke solutions to complex delivery issues that are capable of securing public and private sector investment.
- This commission is for a range of services on multiple sites. The sites that require support may be at similar stages of delivery and therefore the Consultant is required to have sufficient capacity to provide the services described for multiple sites simultaneously.

2. Project Team

It is expected that the commission will be managed by an identified Lead Consultant. However it is acknowledged that the use of specialist sub-consultants may be required to assist with the delivery of the commission; the Lead Consultant should therefore have the ability to bring and contract with sub-consultants as required. The Council acknowledges that the Lead Consultant may need flexibility to procure specialist advice as required on a task by task basis; however, to assist the tender process preferred sub-consultants or partners should be referenced within the tender response and CVs provided. It is expected that the proposed multi-disciplinary team may consist of, but not limited to, the following:

- Property and commercial consultant
- Planning and masterplanning consultant(s) including architectural services and stakeholder engagement
- Economic and financial consultant (cost consultant and economic analysis)
- Consulting engineer(s) – remediation, flood risk, highways, utilities, etc.
- Environmental consultants- e.g. noise, ecology, heritage conservation
- Other related Specialists (such as drainage consultants and tree specialists)

The lead consultant will be required to work with the Council's yet to be appointed Legal advisors and Finance advisors where actions/ activities require legal or finance support. The Council will identify such advisors as required and the role of the Lead Consultant will be to help the Council identify where these skills are needed and help shape the brief for their advice. It is therefore anticipated that this support will be provided by external organisations that will be procured separately by the Council most likely via existing OJEU compliant framework arrangements.

Please note that the successful provider will be required to gain Walsall MBC agreement to the replacement of any of the nominated key staff detailed within their tender response.

3. Scope

In undertaking this commission the Consultant is required to provide the following services noting that some projects may only require limited input:

- A. Options and Feasibility Development
- B. Agency Services
- C. Delivery
- D. Statutory Planning
- E. Other Services

The detailed scope of these is set out as follows.

A. Options and Feasibility Development

Projects considered to be in the pipeline will require feasibility and options appraisal work to appraise the opportunity for development. Such schemes will require the following support:

- i. Feasibility - Initial scoping and scenario testing to develop and assess the development options and development assumptions for each site. Please note that Walsall Council Officers will provide due diligence information where it is available to inform the feasibility stage. The Consultant will be required to produce initial high level development appraisals to assess project viability and inform the options and feasibility stage. Such development appraisals, where appropriate, will be tested further as detailed in section B.
- ii. Masterplanning – detailed site capacity work that promotes good design and sustainability. The red line for a masterplan may be site specific but there will be instances where a masterplan will be required for a broader area that will require a wider set of considerations and stakeholders. The Council is working in partnership with the West Midlands Combined Authority (WMCA) and will promote the WMCA's Design Charter. Masterplanning in some instances may be required to inform a potential Compulsory Purchase Order (CPO) process; in such circumstances the Consultant may be required to provide additional services that are required to support a potential CPO case.
- iii. Transportation - advice relating to transport matters including, but not restricted to, highway design, transport assessments and infrastructure needs for sites. Where the consultant is producing a masterplan for a site, this advice may be more appropriate as part of that exercise.
- iv. Other Technical Areas – The Consultant may also be required to provide further support to aid option development where the Council considers this to be appropriate at the feasibility stage (e.g. to manage risks). It may be that certain items listed under

the Statutory Planning section of this document are required earlier in a project's development.

- v. Economic Analysis – review of the demand and need for the proposed development, to include but not restricted to, market analysis/economic demand and soft market testing to provide market intelligence to the Council.

Please note that this is not an exhaustive list and there may be additional duties that are also required of the Consultant.

B. Agency/Valuation Services

Projects considered to be suitable for development will require the following services:

- i. Valuation of land and property (red book where required) and detailed development appraisal to provide the Council with an understanding of site viability.
- ii. The Council may require the Consultant to act as its agent on land and property negotiations, acquisitions, and disposals, including the use of CPO. Initial contact with landowners may be made by Council Officers, with the Consultant being required to undertake detailed negotiations to understand landowner aspirations that may lead to agreement by private treaty or CPO. The Consultant may be required to lead or support the Council in any disposal or acquisition.
- iii. Strategic investment advice in relation to development opportunities recommending the best way forward for the Council, this will include but is not limited to financial modelling to inform recommendations.
- iv. Promoting surplus land and property to include development sites and buildings to encourage end users. This may also need to include a review of market demand.

Where possible conflicts arise between the Lead Consultant and those providing agency advice it will be for the Consultant to resolve this on behalf of the client and if necessary seek alternative agency advice to that which is being provided to a third party land/ property owner.

Set out below is an example of a project for Services A & B

Willenhall Garden City

An early piece of work that the Consultant will be asked to produce is a masterplan for the Willenhall Garden City. Willenhall Garden City is an aspirational project that aims to promote transformational place-making within and around Willenhall District Centre. Willenhall is due to benefit from the re-opening of the Walsall to Wolverhampton railway line that will provide a new station within the boundary of the district centre and provide direct access to Walsall, Wolverhampton and Birmingham. Willenhall has also been identified as a pilot for the Black Country Garden City concept and is a key project within the Walsall to Wolverhampton Growth Corridor supported by the Council, City of Wolverhampton Council and the WMCA. A map outlining the indicative boundary for the masterplan is contained within the ITT Tender pack as Appendix 'A' Willenhall Garden City indicative boundary.

The Walsall Site Allocation Document (SAD) provides an opportunity to develop a number of new homes across a number of sites identified as housing or consider for release sites; however, further work may be required to consider the appropriateness of all the consider for

release sites being developed for housing given the need also for employment land to meet increased population numbers.

The Council and its partners have limited development landholdings in the area but are actively negotiating with landowners and have produced some initial options and appraisals to bring sites forward for delivery. This together with the arrival of a new railway station and a historic district centre provide an ideal opportunity to aid the transformation of Willenhall as an area that individuals aspire to live, work and play.

Once appointed, the Council will provide the Consultant with further details of the masterplan task and agree the specific scope of works, the task fee proposal, and delivery timescales. It is anticipated that upon appointment the Consultant will be ready to commence work on the Willenhall Garden City Masterplan.

C. DELIVERY

Projects that have successfully completed the due diligence required to progress to delivery stage will require the following support from the Consultant:

Delivery Planning:

- i. Advice and guidance on appropriate delivery vehicles and delivery partnerships for the Council to consider structures to aid the delivery of the pipeline including but not limited to self-development/direct delivery, Joint Venture, establishment of a Housing Company, working with partner housing companies (e.g. other Local Authorities and developer partners). The Consultant will need to consider appropriate and if necessary bespoke delivery vehicles for individual projects or a cluster of schemes, highlighting benefits and risks associated.
- ii. To advise the Council on potential state aid implications, working with the Council's legal advisor(s) to ensure that the Council is state aid compliant in its delivery role, whether that is direct delivery or as a partner.
- iii. To provide advice on funding opportunities available to assist in the delivery of schemes, identifying the most appropriate funding streams, both public and private, that would be appropriate to aid delivery. This may require financial modelling, including scenario testing and sensitivity analysis.
- iv. Provide a robust estimate of construction costs, from initial feasibility through to scheme delivery; highlighting all associated risks and issues together with proposed mitigation.
- v. Preparation of funding applications bids and business cases (in line with the defined 5 case model as necessary) in accordance with funding body requirements. The Consultant will be required to lead and/or assist in the preparation of all such bids, including all supporting information that may be required to assist in the submission of a financial bid to the relevant funding bodies. It is anticipated that a number of the schemes will request funding from the WMCA's Single Commissioning Framework and the Black Country Local Enterprise Partnership Assurance Framework.

Delivery:

- vi. Where necessary lead the preparation of a procurement strategy to aid the delivery of schemes, and to take a proactive role in the procurement of a delivery partner, this may involve a full OJEU compliant process or non OJEU compliant routes. The Consultant may need to take a proactive role in preparing tender documentation, assessing tender submissions and costing variations. The Consultant will also be

required to assist, if necessary, with the due diligence on partners and investors, working in partnership with the Council's Finance Team and financial advisor.

- vii. Support the maintenance of relationships with stakeholders and partners, acting as the Council's advisor as and when necessary.
- viii. Act as the Council's Project Manager for schemes to ensure successful development and delivery where required. This would involve overseeing the project to ensure it is being delivered in the line with the defined programme. Note that in some cases Council Officers may take the lead role as Project Manager, in such circumstances the Consultant will provide a supporting role as necessary.
- ix. The Council may also require specialist project management services to progress specific tasks. For example, the Council may require the Consultant to ensure grant funded works are being undertaken to a defined specification to enable appropriate sign off and payment.

D. STATUTORY PLANNING

The Council may require the Consultant to lead the preparation and submission of planning applications to enable delivery. This will include:

- i. Preparation of outline and full planning applications depending on the delivery option for sites.
- ii. Working closely with identified Council Officers, assist or lead stakeholder and public engagement where necessary in the preparation of a planning application.
- iii. Provision of all design services and surveys to support site proposals and planning applications. It is anticipated that the Consultant will be able to provide all services in-house or will sub-contract to ensure that it can provide the full range of services that are required, noting that warranties will be required for the services provided and to ensure that the Council and its partners can rely on the information provided. The range of works will include but is not limited to;
 - o Architectural and urban design services including design and access statement
 - o Planning Statement
 - o Built Conservation advice
 - o Ecology and tree advice
 - o Flood Risk advice
 - o Desk top and interpretative site investigations
 - o Remediation strategies
 - o Topographical surveys
 - o Transportation matters such as transport statements
 - o Air quality assessment
 - o Noise assessment
 - o Stakeholder Engagement.
- iv. Provide commercial advice in relation to planning obligations for S111 / S106 agreements, particularly joint projects involving the Council.

E. OTHER SERVICES

- i. As and when necessary, provide project management support to include project performance and risk analysis, reviewing and inputting into Council project reports.
- ii. Supporting Officers in project briefings/ workshops with senior/corporate management and Members, and other identified stakeholders.
- iii. It is anticipated that during the term of the contract additional works may be identified and therefore the Council reserves to right to add additional services above and beyond those already identified as and when required.

Task Pricing

Once the scope of each individual task has been determined this will be issued to the Service Provider to enable them to develop a detailed project proposal and price schedule based on the schedule of rates provided in this tender. This will then be scrutinised by the Client team for suitability of the proposal, accuracy against the scope and the full cost breakdown. In addition, the Client team will where appropriate challenge the proposal and or price to ensure that maximum value for money is being achieved prior to an order being placed for the work.