

Cabinet – 7 February 2024

Walsall's Regeneration Pipeline: Strategic Partner Framework- Contract Award

Portfolio: Councillor Andrew – Deputy Leader & Regeneration

Related portfolios: N/A

Service: Regeneration & Economy

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 The creation of a Strategic Partner Framework will help drive the delivery of the borough's ambitious regeneration and development pipeline. The Framework will provide additional expertise and resource to the council to facilitate and expedite the processes for implementation of regeneration programmes and the delivery of development schemes. These schemes will result in the leverage of public and private sector investment and the creation of much needed new jobs, homes and floorspace; therefore, significantly contributing to the council's priority for sustainable economic growth. This report seeks Cabinet approval to award contracts to create the Strategic Partner Framework to the successful providers (maximum of 3) following a competitive open tender exercise.

2. Summary

- 2.1 This report seeks Cabinet approval to enable the council to create a Strategic Partner Framework (the Framework) to complement the existing skills and resource in the Regeneration and Development service and expedite the delivery of the council's regeneration pipeline. Such services are currently provided through the Regeneration Strategic Advisor contract which will expire on 30 April 2024. The ability to call-off services through the newly procured Framework to develop the pipeline schemes will deliver employment floorspace, new homes and jobs, and improve the viability and vitality of Walsall Town Centre and its district centres. The delivery of the regeneration pipeline will have a positive impact on the borough's ambitions for economic growth as set out in Our Council Plan (2022 – 2025).

- 2.2 The report outlines the procurement process that is being followed to create the Framework, and the role the strategic partners 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 input through the Framework and in turn contribute to the council's aspirations for growth.
- 2.3 The procurement process has commenced and tenders will be returned in mid-February 2024 for evaluation assessment. This report proposes a delegation to award the contract(s) to appoint the successful strategic partners to the Framework at the earliest point post tender evaluation and after all necessary statutory timescales have passed. Delegated authority will enable the Framework to commence from 1 April 2024 and therefore provide adequate time for handover (where required) prior to the expiry of the existing Strategic Advisor contract.
- 2.4 Once awarded it is intended that the Framework will operate on a call-off arrangement, either through direct instructions or mini-competitions, enabling the council to manage the appointments and budgets with strategic partners. Partners will only provide their services once a task order is fully scoped (i.e. the document setting out the specification, fee, resource and programme) and agreed by the council. Strategic partners will work with officers to define specific tasks that are required to develop the council's pipeline.
- 2.5 This is a key decision because it exceeds the threshold for "significant" expenditure of £500,000 and the future delivery of services through the framework will have a significant impact on two or more wards across the borough.

3. Recommendations

- 3.1 That Cabinet delegate authority to award contract(s) to create Walsall's regeneration pipeline - Strategic Partner Framework, for a period of three years (April 2024 to March 2027), with an option to extend for an additional 12-month period, as set out in this Cabinet Report, to the Executive Director of Economy, Environment and Communities in consultation with the Portfolio for Regeneration.
- 3.2 That Cabinet delegate authority to the Executive Director of Economy, Environment and Communities to enter into contract(s) and to subsequently authorise the sealing or signing of any associated contracts, deeds or other related documents.
- 3.3 That Cabinet delegate authority to the Executive Director of Economy, Environment and Communities, to authorise any variations to the contractual arrangements or other related documents for such services should this be required throughout the duration of the term of any contracts and provided they are in line with the council's Contract Rules and any relevant legislation, including the Public Contracts Regulations 2015.

4. Report detail – know

Context

Walsall's Regeneration Pipeline

- 4.1 Walsall's pipeline is derived from longstanding regeneration and economic growth ambitions and vision, as set out in adopted planning policy (including Walsall Town Centre Area Action Plan (AAP) and Walsall Site Allocation Document (SAD)), as well as the Walsall Growth Corridor, Walsall Town Centre Masterplan (2019), Black Country Enterprise Zone - Darlaston and the Willenhall Framework Plan (2022). The economic growth and regeneration ambitions are also reaffirmed in the approved Walsall 2040 borough plan (June 2023) and Economic Strategy (December 2022). Delivery of the pipeline is being supported by funding and delivery initiatives driven through Government and the West Midlands Combined Authority (WMCA), including Future High Streets, Town Deal/Long-term Town Plan, Levelling Up Zone/Growth Zone and Levelling Up Partnerships.
- 4.2 Over the last 15 years the council has led and supported the delivery of projects and multi-million-pound investment to improve economic growth and opportunities for residents and businesses across the borough. This transformation has seen around £0.5billion in investment and delivered circa 1,700 new homes and 3,600 jobs, with a further £0.5billion currently being delivered and/or under construction. To bring forward the next tranche of regeneration and development sites on the pipeline (i.e. residential, employment, town centre uses) requires the continuation of this leading role and intervention by the council through a range of site-specific pre-development works. The pipeline opportunities have the potential to deliver an additional £0.5billion in investment and provide 1,000 new homes and 115,000sqm of employment floorspace, whilst regenerating and bringing derelict brownfield sites into economic use.
- 4.3 The Development Team within the Regeneration, Housing and Economy service has led and supported the delivery of the projects that have achieved the outcomes set out in paragraph 4.2 and will have responsibility to continue to deliver the future outcomes. To facilitate the development of the council's development pipeline, the Development Team had previously procured a Strategic Advisor (Arcadis) to provide external consultancy support to enhance the expertise and capacity of the team. This approach to sourcing consultancy services has proved beneficial over the period of the contract, particularly the officer resource and time efficiency savings it has provided in comparison to running several separate procurement processes.
- 4.4 The Strategic Advisor contract is due to expire on 30 April 2024. Any existing task orders approved with the current advisor prior to the expiry will continue in line with the approved task order. Following detailed discussions with Procurement colleagues and reflecting on the value of the Strategic Advisor role and approach, it is considered that it would be prudent and cost-effective to continue to procure the multi-disciplinary services required to deliver any new task orders relating to the regeneration pipeline. However, rather than procuring

a single provider, the procurement process should instead seek to establish a framework of multi-disciplinary strategic partners. The framework approach will not only provide additional capacity and skill sets that are required but also enable competition and division of works amongst the framework partners over the contract period. This will provide additional benefit to the council, especially when works (within scope) are required from wider service areas or where external funding is secured to aid or accelerate delivery in set deadlines.

Strategic Partners Framework- Services

4.5 Through the procurement the council is seeking framework partners to provide a range of services to take identified schemes (indicatively outlined in **Appendix A**) through the various feasibility and development stages leading up to the point of securing funding, appointment of a developer and/or detailed design and implementation. It is noted that the council has limited land ownership and therefore the work will require collaboration with private landowners and key stakeholders. The level and scope of pre-development work required for projects will vary and some may only require limited input. Services required will include:

- Feasibility and optioneering
- Commercial Property/ Real Estate services
- Delivery (Pre detailed design and construction stage)
- Statutory planning
- Other services (which subject to external funding may include support for the subsequent delivery and implementation stages of schemes (e.g. RIBA Stages 0-7).

4.6 A detailed description of the services that will be delivered by the Strategic Partners Framework is provided in the scope of service enclosed as **Appendix B**. To deliver these services the council will procure a framework of multi-disciplinary partners (a maximum of 3 in total). The expectation is that each partner will have a named lead consultant and, where necessary, will commission/contract with specialist sub-consultants to deliver the full range of services and skills required.

Council Plan priorities

4.7 Our Council Plan (2022-25) focuses on five key areas of focus. One of the focus areas is 'Economic'- Enable greater local opportunities for all people, communities and businesses. In particular, the Framework will play a key role in the development and delivery of the regeneration pipeline and will therefore contribute to the following outcome and markers of success.

Outcomes	Markers of Success
1. Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place	1. Better connectivity, improved reliability and well-maintained transport networks creating an environment where businesses are supported to thrive and grow.
	2. Regenerating the Borough to support places where people are proud to live and work, delivering affordable homes and attracting inward investment.

Risk management

- 4.8 A competitive open tender process is being undertaken in accordance with the requirements of the Public Contracts Regulations 2015, to seek providers to appoint to the Strategic Partners Framework and deliver the services required. The following risks should be noted:

Lack of interest

- 4.9 There is a risk that there could be a lack of interest in the tender process which could result in no or very few submissions. Whilst this is a risk, it is considered that the likelihood of this arising is low given that this is an open tender opportunity.

Standstill period

- 4.10 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. This risk is considered low given that the council is seeking to appoint a maximum of three partners to the Framework. Additionally, 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 partners

- 4.11 There is a risk that upon entering the contract or during the lifetime of the commission, an appointed partner(s) may fall into financial difficulties that could jeopardise the commission. As part of the procurement process, financial standing checks and other appropriate due diligence will be undertaken. Any financial payments will also be made by the council in arrears and upon the production of an invoice. Furthermore, the council will have the ability to call-off services from another Framework supplier if required to enable continuation of works.

Capacity

- 4.12 By procuring a Framework of strategic partners, risks relating to capacity and resourcing of individual partners will be better managed, as the call-off mechanism will enable works to be distributed between partners and schemes developed simultaneously. The ability of each strategic partner to provide the services requested will be monitored throughout the lifetime of the appointment and reviewed at the appropriate time within the contract period.

Quality

- 4.13 In order to ensure that the suppliers are acting in the best interests of the council and adhering to principles of time, cost and quality in all commissioning and delivery activity, it will be necessary to implement a strict performance management and review process for each supplier. Director/Executive Director and Cabinet Member will be updated regularly.

Timescales

- 4.14 The Framework will be appointed for a maximum of four years (including optional contract extensions). The time required to develop and deliver the council's development pipeline may exceed the duration for the Framework 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

- 4.15 There is a low-level risk that there will be insufficient budgets available to instruct and complete all the desired work tasks to support the development of the regeneration pipeline. Work tasks will only be instructed where there is sufficient available budget, and any potential overspends will be reviewed and managed through the programme management mechanisms for each task/scheme. The council will continue to bid and apply for external funding to deliver pipeline schemes. Any future success in securing additional funding will enable works to be undertaken through the Framework in addition to those funded internally.

Financial implications

- 4.16 The regeneration pipeline consists of projects across the borough that are at various stages of the project/ development lifecycle. To ensure that the appointed strategic partners and works required by the council can be 'called-off' to provide the wide range of services, it has not been possible to specify a list of specific work tasks for the potential bidders to provide costs against. To ensure flexibility, the pricing schedule for the procurement asks bidders to provide fee rates.

- 4.17 To identify a potential total cost estimate for the strategic partners role, officers have considered the rates of the existing Strategic Advisor commission and the tasks required for the key priority projects. Based on this, the indicative cost of works to be sourced through the Framework is estimated at up to £500,000 per annum for the Regeneration, Housing & Economy service area. It is anticipated that funding will be sourced from the council's revenue budget. However, officers will work with the appointed strategic partners 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. It is also noted that the indicative contract value may increase during the lifetime of the contract period subject to securing additional internal budgets and/or external funding (grant), plus the potential call-off from other service areas (and use of their budgets) for services within scope of the Framework. The corporate contract management team will regularly review the use of this contract across the council and will ensure that all spend is appropriately managed.

Legal implications

- 4.18 Procurement have worked with Legal Services to determine the form of contract suitable for the commission of the Framework through an open tender process. This ensures that the contract is fit-for-purpose and suitable for the services required and is compliant with all applicable legal requirements and any risk of legal challenge is minimised. The undertaking of the Procurement will also ensure compliance with the Council's Contract Rules and the best value obligations under the Local Government Act 1919.
- 4.19 The services to be provided by the Strategic Advisors exclude any legal advice. It is anticipated that legal advice that will be required to support the delivery of the pipeline schemes will either be provided in-house by Legal Services or by external organisations that will be procured separately, most likely via existing Find a Tender Service (FTS) compliant framework arrangements. The appointed strategic partners will be required to work with the council's legal advisor where such legal support is needed.

Procurement Implications/Social Value

- 4.20 Officers in the Development Team have worked closely with Procurement to agree the procurement strategy and framework approach to deliver the services required. This includes gateway reporting to the internal Third Party Spend Board (TPSB).
- 4.21 The procurement process is being conducted in accordance with the Public Contracts Regulations 2015, the Council's Contract Rules and Social Value Policy.

Property implications

- 4.22 There are no direct property implications for this report. However, should the services provided through the Framework result in the acquisition, development, or disposal of a council asset then there will be property

implications to consider. The scope of services provides for a range of property related services including valuation and agency services. From time to time these services may be called upon to support the council's wider Corporate Landlord responsibilities, which will be funded from separate budgets where the work is not directly associated with supporting the regeneration pipeline schemes. Where property implications arise on projects, these will be considered at the appropriate time and Cabinet approvals will be sought where required under the Council's Constitution.

Health and wellbeing implications

- 4.23 Whilst there are no direct health and wellbeing implications that will arise from the Framework appointment, the council's regeneration pipeline contributes to Our Council Plan (2022-2025), specifically the delivery of new development that will help support residents into employment, give them access to new high-quality homes of variable tenures, and provide greater amenity value through improved neighbourhoods. Health and wellbeing implications, in particular the Marmot objectives, will therefore be considered as part of the development and delivery of the pipeline.
- 4.24 Where pipeline schemes require planning permission, as part of the planning process, detailed consultation 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.

Reducing Inequalities

- 4.25 The appointment of the Framework 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 report. The strategic partners will have complied with all requirements included in the government standard supplier questionnaire regarding equalities.
- 4.26 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 pipeline schemes.

Staffing implications

- 4.27 There are no staffing implications arising out of this report. The appointment of the Framework will however have a positive impact on staffing as the strategic partners will become an integral part of the council's delivery resource by adding capacity as and when required.

Climate Impact

- 4.28 There are no direct climate impacts arising out of this report. Climate impacts relating to the development activities of the pipeline will be considered as part of the development and delivery of individual schemes.

Consultation

- 4.29 This Cabinet report has been prepared in consultation with Procurement, Finance and Legal Services. Procurement have been working closely with the Development Team to agree the procurement process and have subsequently led the process to appoint the Framework.
- 4.30 It is envisaged that the community and other stakeholders will be consulted on individual schemes as and when is appropriate; for example, through the statutory planning process if required.

5. Decide

- 5.1 There are three options to consider: do nothing; procure a (replacement) Strategic Advisor; or create a Strategic Partners Framework to provide a range of services required to develop and deliver the council's regeneration and development pipeline.
- 5.2 Do Nothing: Whilst this is an option, it would require the team to procure services as and when they are required. This would not be a viable option due to the time and resources that are required across teams 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 processes and the council now needs a more readily available expedient level of service.
- 5.3 Procurement of a Strategic Advisor: the council has previously appointed a Strategic Advisor with the contract due to expire at the end of April 2024. To date this option has provided the council with 'call-off' access to the range of feasibility and due diligence services which has helped expedite the development and delivery of the council's development pipeline. The option to re-procurement a Strategic Advisor has been considered. However, based on the experience of the existing commission, including the depth of works, fees and capacity required, the provision of greater competition, resource, and flexibility to draw upon other suitability skilled consultancies during the contract period would be beneficial to the simultaneous delivery of the regeneration pipeline and projects.
- 5.4 Creation of a Strategic Partners Framework: Informed by the disadvantages and lessons learned from the above two options, the procurement of a Strategic Partners Framework is the preferred option. This will provide maximise flexibility to access multi-disciplinary teams and direct 'call-off' services to scope of works required to deliver the regeneration pipeline. It will also provide the ability for the council to seek mini competition between suppliers on the framework for services if appropriate.

6. Respond

- 6.1 Subject to Cabinet approval of the recommendations, the Development Team will work with Procurement, Legal and Finance to:
- a. Progress the contract awards
 - b. Ensure sufficient budgets are available to deliver the works required
 - c. Effectively manage this contract during its lifetime

7. Review

- 7.1 Once appointed, the Strategic Partner Framework 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 three 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(s).

Appendices

Appendix A – Walsall’s Regeneration Pipeline

Appendix B – Tender Specification

Background papers

Not applicable

Author

Simon Tranter
Head of Regeneration, Housing & Economy
✉ Simon.Tranter@walsall.gov.uk
☎ 654723



Dave Brown
Executive Director

25 January 2024



Councillor Andrew
Portfolio holder

25 January 2024