

Item 5

REPORT TO CABINET

20th DECEMBER 2007

REPORT OF ASSISTANT CHIEF EXECUTIVE

Social Regeneration & Partnerships Portfolio: Learning & Employment Portfolio

Spennymoor Area Action Plan

1. SUMMARY

- 1.1 In a report to Cabinet on 13 September 2007, covering the Local Authority Business Growth Incentive funding, a sum of £300,000 was allocated against feasibility works and technical studies, such as the above Area Action Plan
- 1.2 A further report to Cabinet, Commissioning an Area Action Plan for Spennymoor Town Centre, October 2007 sought approval to appoint consultants to develop an overall land use plan for Spennymoor, in a format which would allow integration with the emerging Local Development Framework (LDF).
- 1.3 A select list was established and the work tendered. However the range of prices returned was broad and included two in excess of the £75,000 allocation noted in the original report.

2. RECOMMENDATIONS

- 2.1 It is recommended that Cabinet approve the appointment of DTZ consultants (Company B) to undertake the Spennymoor Area Action Plan at a cost of £99,435 in accordance with Contract Procedure Rule 28.

3. BACKGROUND

- 3.1 The previous report to Cabinet set out the justification for a framework for Spennymoor which would help direct investment and new development recognising the potential for change and improvement across the town anticipated on the back of new residential development.
- 3.2 In taking such an approach, the brief for the commission sought to include a process, which would deliver the outputs in a format that could be subject to formal consultation and incorporation within the Local Development Framework.

- 3.3 In doing so, some of the prescribed requirements; such as Sustainability Appraisals for generated options and Appropriate Assessments led to cost increases above the initial budget estimate.
- 3.4 The methodologies and approach to the planning processes varied considerably a was reflected in the overall tender prices for this project which were;
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|-----------|------------|
| Company A | £44,450 |
| Company B | £99,435 |
| Company C | £56,124 |
| Company D | £127,111.3 |
| Company E | £58,100 |
| Company F | £43,814.5 |
- 3.5 A desktop evaluation of the tender submissions was undertaken, following which all six companies- whose submissions were thought to broadly meet the requirements set out in the brief, were interviewed.
- 3.6 The interviews of Consultants to undertake the Spennymoor Area Action Plan were conducted on 26 & 27 November. The proposals were assessed as detailed in the brief on the basis of Cost, Methodology and Relevant experience, with consideration being given to the approach to the new statutory processes required under an Area Action Plan and the management of risk particularly relating to capacity and experience.
- 3.7 A full scoring exercise was conducted on each of the interviewed consultancies, which considered the approach, resourcing and costing as well as the relevant experience of each practice. From this exercise it became clear that several of the consultancies were unfamiliar with the new requirement for Area Action Plans and had under resourced the commission. Only two submissions – both above the original £75,000 budget, had experience of the new process and had and were felt to have fully met the technical requirements set out in the brief, particularly in respect of producing the required supporting documentation to the main plan. Company B were the lowest of these two tenders.
- 3.8 Under the Council’s Contract Procedure Rules, the appointment of consultants is to be made following an assessment of the most economically advantageous proposal (Procedure Rule 27), with a report to Cabinet required if acceptance of a tender is sought above the approved budget / estimate. (Procedure Rule 28).
- 3.9 Following consideration of the project proposal and subsequent interview, Company B (DTZ) was felt to be most appropriate for the Spennymoor Area Action Plan.

4. **RESOURCE IMPLICATIONS**

4.1 Human Resources
There are no additional Human Resource requirements in connection with this report.

4.2 Financial Resources
The original report seeking approval for the commissioning of consultants identified a project budget of £75,000, to be secured from an allocation of £300,000 identified in the report to Cabinet of 13 September. This overall allocation will also be used to fund a separate study for Ferryhill and Shildon centres which is of a lower value as it will be a shorter commission and as it does not follow full Local Development Framework consultation and adoption procedures.

5. **CONSULTATIONS**

5.1 In preparing this report consultations have been undertaken with the Audit & Resources Manager and the Capital Programme Manager.

5.2 The programme of work identified in the brief includes significant elements of public consultation prior to formalisation and adoption of land use plans.

6. **OTHER MATERIAL CONSIDERATIONS**

6.1 Legal / Procurement Implications
The procurement of consultants including the acceptance of tenders is being undertaken in line with the Councils Rules of Procedure Part G - Contract Procedure Rules.

6.2 Risk Management
The different approaches to the brief were considered in detail including the risks associated with each proposal, particularly in relation to capacity of the various consultancy teams and the potential for timescale or cost over-runs

7. **OVERVIEW AND SCRUTINY IMPLICATIONS**

7.1 The Council's contribution to the vitality of the Borough's main centres is subject to a regular update to scrutiny under the heading of the Future Role of Town Centres

8. **LIST OF APPENDICES**

8.1 No appendices attached to this report

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Background Papers:

Cabinet Report 13 September 2007.
Utilising Local Authority Business Growth Incentive funds
Cabinet Report 27 September 2007
Commissioning an Area Action Plan for Spennymoor Town Centre

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>