

<b>REPORT TITLE:</b>	<b>REGENERATION DELIVERY VEHICLE BUSINESS CASE DEVELOPMENT SUPPORT – PROCUREMENT</b>
<b>REPORT OF:</b>	<b>ASSISTANT DIRECTOR- CHIEF REGENERATION OFFICER</b>

## **REPORT SUMMARY**

This report seeks approval for the appointment of Deloitte LLP (Company number – OC303675) to develop the Council’s business case for the creation of a Regeneration Delivery vehicle. Furthermore, this report details the procurement route and justification for the award to the chosen supplier. This report seeks authorisation to proceed to contract. The value of the contract is £200,000 for up to two years to be delivered in 4 phases.

The Wirral Plan 2021-2026 sets out a vision for a prosperous, inclusive economy where local people can get good jobs and achieve their aspirations. It states that we will support inclusive economic growth and increase community wealth. Furthermore, the Wirral Plan sets out a vision working towards a clean-energy, sustainable borough that leads the way in its response to the climate emergency and is environmentally friendly. The recommendations in this report will support businesses in the delivery of these aspects of the Wirral plan.

The proposals within this report will primarily affect Birkenhead and Tranmere as the delivery vehicle will primarily affect this area.

This is not a Key Decision.

## **RECOMMENDATION/S**

The Director of Regeneration and Place is recommended to approve the appointment of Deloitte LLP (Company number OC303675) following a direct award procurement route via CCS Management Consultancy 3 Framework for a 24-month term to provide consultancy services for the development of a business case for a regeneration delivery vehicle.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 A direct award procurement process has been undertaken in accordance with the Council's Contract Procedure Rules and Public Procurement Regulations for consultancy services to provide business case development and ongoing support.
- 1.2 This process has been run as a direct award through the Crown Commercial Services – Management Consultancy Framework Lot 2. The choice of procurement route and the use of Deloitte will bring significant benefits, value and efficiencies to aid delivery of business case.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Council have considered other tendering methods however there is considerable added value and continuity from awarding directly to Deloitte.
- 2.2 Other frameworks offering direct award were considered however Crown Commercial Services – Management Consultancy Framework was chosen because it offers a compliant route to market based on the clients' requirements.

### **3.0 BACKGROUND INFORMATION**

- 3.1 In November 2019 Wirral Council submitted a bid to the then Ministry of Housing Communities and Local Government's (MHCLG's) competition to explore Urban Development Corporation type delivery models. The focus of the bid was on the creation of a waterfront urban garden city in Birkenhead with high quality urban design and sustainability at its heart. This ambition for Birkenhead is key to delivering the Council's preferred brownfield-first option in the Local Plan.
- 3.2 The Council was informed at the end of March 2020 that its bid had been successful in securing £705k of the £1.25m asked for, and was the first Council to be identified as successful. As a result of the reduced funding the Council refocused the programme on the option appraisal, legal advice and programme management. The design competitions, procurement framework and communication elements were progressed through other arrangements.
- 3.3 Since 2020 the Council has developed the Birkenhead 2040 Framework to realise the ambition of a transformational regeneration programme along the Left Bank of the River Mersey stretching from New Brighton to Bromborough. This includes the focus on the regeneration of Birkenhead. This is one of the largest and most ambitious regeneration programmes in the UK with the potential to create up to 21,000 new homes over the next 20 years through a radical re-use of neglected and brownfield sites, underpinned by the emerging Local Plan.
- 3.4 In the early 2021 the Council ran a competitive procurement exercise for a supplier to provide detailed work to develop the strategic business case and financing strategy for the 2040 Framework, assess the delivery vehicle options best suited to delivering the regeneration programme, and develop the business case and implementation plan for the delivery vehicle for submission to Central Government.

- 3.5 Deloitte LLP was commissioned to deliver a Strategic Outline Business Case (SOBC) for a delivery vehicle and was contracted via Crown Commercial Services – Management Consultancy Framework Lot 2 in June 2021 to March 2022 and submitted a draft to the Council in March 2022. Since then, the Deloitte team has worked alongside the Wirral Officer team to continue to develop the Strategic Outline Business Case. (SOBC)
- 3.6 The next stages of work require the completion and submission of the Strategic Outline Business Case to the Department for Levelling Up, Housing and Communities (LLDC), and to work with them to refine the proposition. Deloitte will provide ongoing support through the approval of the outline business case and the early set up of the delivery vehicle. The commission will also see Deloitte support the Council in the establishment of a Transition Board which will be the mechanism through which future partners (Homes England, Liverpool City Region Combined Authority) engage in the process. Deloitte will facilitate engagement with senior stakeholders outside of the City Region to ensure the proposition is correctly communicated and future funding opportunities are maximised.
- 3.7 The Council has developed a clear statement of requirements and specification in a phased approach in line with the direct award procedure outlined in Crown Commercial Services Framework Documentation. In order to fulfil the Council’s requirements the suitable supplier will need to provide value for money and be able to mobilise to begin work in the short term. As per the framework guidance the direct award criteria have been applied to the framework’s description of services as set out in Framework Schedule 1 (Specification).
- 3.8 The supplier Deloitte is able deliver immediately, whilst also providing value for money. The Intellectual Property and stakeholder relationships they have developed through their initial commission mean that it does not present value to switch to another supplier. Furthermore, Deloitte have taken us to SOBC stage after a thorough assessment of options, it would take time (and cost) for any other provider to gain the depth of understanding Deloitte already have.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The value of this contract will be £200k. This contract will be funded through the remainder of the £705k MHCLG bid secured in March 2020. There is sufficient remaining budget to fund this contract value.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The procurement exercise for the contract award has been carried out in accordance with the Council’s Constitution, Contract Procedure Rules, and Regulation 33(8)(b) of the Public Contract Regulations 2015. The procurement exercise has been carried out through the CCS Management Consultancy 3 Framework for which Wirral Council entered into an Access Agreement.
- 5.2 This contract will be governed by the Terms and Conditions of the CCS Estates Management Framework and any Special Terms applied.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 The commissioned service will be contract and performance managed by the Regeneration Team.
- 6.2 No Council assets, ICT equipment or recharged services are proposed for supply/transfer as part of this commission.

## **7.0 RELEVANT RISKS**

- 7.1 There is a high risk that Regeneration schemes and projects are delayed and not delivered should the council not have an appropriate delivery vehicle in place.
- 7.2 There is a risk that the business case submitted to DLUHC is not successful. This is mitigated somewhat by the money being spent on business cases being grant funded for this specific purpose.
- 7.3 Risks associated with the projects delivered through the delivery vehicle will be captured within Risk logs for individual projects and schemes.
- 7.4 Any delay to the commencement of this contract could jeopardise the Council's submission of a business case to DLUHC and presents a risk to the future of the regeneration programme.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 Engagement has been undertaken with the Council's Procurement team at all stages.
- 8.2 Regeneration and procurement colleagues were consulted when preparing the brief and evaluating the tender to ensure this service could be utilised by all.
- 8.3 There are no statutory consultation requirements as part of Lot 2 of the CCS Estates Management Framework.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 Equality implications were part of the procurement and award process.
- 9.3 Equality implications will be captured by the associated lead for whatever scheme or project is delivered by the regeneration delivery vehicle.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 The schemes and projects that will be delivered by this regeneration vehicle will have objectives that will lead to a greener and more sustainable borough. For example, the Hind Street project aims to deliver a sustainable urban village containing 1400 new homes.

## 11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 Community Wealth Building reorganises local economies to be fairer and stops wealth flowing out of communities. Striving for a prosperous and inclusive economy where local people can get good jobs and achieve their aspirations, the Council aims to create an economy that benefits all of our residents and one which keeps money within Wirral. The Council's Community Wealth Building Strategy is a key part of how this is achieved and makes a major contribution to improving the economic, social and health outcomes of the borough.

11.2 A regeneration delivery vehicle will revitalise Birkenhead ensuring that more wealth is invested and stays within our Borough. Future procurement exercises will build the wealth of our local communities where we will strive to maximise social value activity through creation of local employment/ training opportunities and local labour/spend to maximise the Wirral pound.

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## APPENDICES

### BACKGROUND PAPERS

**Birkenhead 2040 Framework**  
**Wirral Plan 2021 - 2026**

### SUBJECT HISTORY (last 3 years)

Council Meeting	Date