

Allerdale Borough Council

Executive – 11 May 2022

Appointment of Regeneration Programme Support

Portfolio holder	Councillor Mike Johnson Leader and Portfolio Holder for Economic Growth, Community Development and Placemaking
Report from	Brendan Carlin – Assistant Chief Executive (Innovation and Commercial)
Wards affected	All
Is this a key decision	Yes

1.0 The reason for the decision

- 1.1 To agree the procurement and appointment of a consultant partner to provide additional capacity and support for the delivery of our Regeneration and Investment Programme including the continued development and delivery of the regeneration projects in the Workington Town Deal and Maryport Future High Street Fund programme, projects from our Economic Recovery and Growth Strategy, and to support the development of business cases and bids for future funding streams including through the Levelling Up agenda and Shared Prosperity Fund.

2.0 Recommendations

- 2.1 It is recommended that the Executive:
- a) extend the current consultancy contract with Mott MacDonald until June 2022 to allow for completion of works within the contract scope; and
 - b) thereafter, appoint Mott MacDonald as a consultant partner via the Crown Commercial Services Consultancy Framework Three RM6187 / MC3 Lot 8 – Infrastructure including Transport.

3.0 Background and Introduction

- 3.1 Allerdale Borough Council has bold regeneration plans. The Executive agreed its Economic Recovery and Growth Strategy in May 2021 in addition to the Council successfully securing £23.1m Town Deal funding for Workington and approximately

£14m funding for Maryport through the Future High Streets Fund and Heritage Action Zone programmes, meaning that the Council's capital programme is now larger and more ambitious than ever before.

- 3.2 Our approach acknowledges the many opportunities and economic challenges facing the area, and recognises that the Council cannot deliver all of the objectives and actions alone. We are working with a wide range of stakeholders to bring about our economic vision and ensure the successful delivery of capital and regeneration projects.
- 3.3 Executive approved the appointment of Mott MacDonald on 21 July 2021 as Allerdale's strategic delivery partner to ensure that we are better able to plan, access and manage the additional capacity necessary to support our in-house teams and to fully deliver the scale of our ambition for Allerdale's development and regeneration programmes.
- 3.4 Through the Council's partnership with Mott MacDonald, we have developed and submitted business cases for the Workington Town Deal projects, progressed the design and development of projects within the Maryport Future High Streets Fund programme and had access to multi-disciplinary consultancy support for a range of regeneration schemes.
- 3.5 Continued partnership support is necessary to ensure that design and development work on the Maryport Future High Street Fund projects is completed, that the benefits of the regeneration programme are delivered as originally envisioned and to ensure that the Council has sufficient capacity to prioritise its critical projects as Cumbrian Local Government Reorganisation ramps up and draws on resources.

4.0 Content (to include alternative options considered)

- 4.1 Given the scale of the ambitious capital programme, and balancing against a number of conflicting strategic priorities including Local Government Reorganisation and ongoing Covid-19 recovery, it is paramount that the Council has sufficient resources to successfully deliver its regeneration projects.
- 4.2 To achieve this, it is necessary for the Council to increase the resources available in the form of additional capacity, technical expertise and experience that will supplement in-house project teams. Without commissioning support there is a danger that the full benefits of the programmes will not be delivered and could expose the Council to the risk of having to return grant funds to central government.
- 4.3 Since entering the contract with Mott MacDonald in August 2021, the Council has established an effective working relationship that has enabled us to leverage the additional capacity needed to progress our major regeneration programmes. This has included the development of business cases for the Community Sports Village, Digital Accelerator, and Innovation Centre projects within the Workington Town Deal ahead of their approval by Executive in March 2022 and subsequent submission to Government. Working with Mott MacDonald, we have also advanced the design and development of major capital projects at Christ Church and the Wave in the

Maryport Future High Streets Fund programme as well as progressing scheme designs and masterplanning for our key employment sites at Oldside and Lillyhall.

- 4.4 The Council's current contract with Mott MacDonald is for a fixed period with the term coming to an end on 30 April 2022. Due to a number of reasons including delays by Government in confirming funding schemes, planning considerations and scope modifications, some project elements require an additional 4-6 weeks via a proposed contract extension until mid-June 2022, including:
- Christ Church – receive report from interpretative designer providing an outline interpretative strategy for museum collection and achieve RIBA Stage 2.
 - Seafood Fund Business Case Support – additional engagement with Harbour Board and storyboarding application form responses needed prior to bid submission deadline on 24 May 2022.
 - Maryport Boardwalk – design to delivery of RIBA Stage 3 documentation (subject to planning requirements).
- 4.5 Thereafter, it is proposed to use a direct call-off from the 'Crown Commercial Services Consultancy Framework Three RM6187 / MC3 Lot 8 – Infrastructure including Transport' to further commission Mott MacDonald as a multi-disciplinary delivery partner to build upon the successful experiences to date and to provide external support across the continuing programmes of work in a way that offers costs certainty for the Council.
- 4.6 The Council's regeneration teams have provided Mott MacDonald with a non-exhaustive illustrative list of potential projects for which it may be requested to provide support and assistance before Local Government Reorganisation takes effect, including:
- **Future Funding through Shared Prosperity Fund and Levelling Up agenda** - support the development of business cases and investment plans to support applications for future funding streams.
 - **Workington Town Deal and Maryport Future High Streets Fund** - supporting the continued development and delivery of capital projects in preparation for appointment of construction partners. Additional ad-hoc support may be required to support the overall delivery of these programmes including, where appropriate, attendance at advisory group/board meetings.
 - **Economic Recovery and Growth Strategy** - support the detailed development and delivery of projects identified in the strategy.
 - **Regeneration** - undertake additional detailed development work to support regeneration of Allerdale's towns, building upon existing masterplanning and town regeneration proposals and a pipeline for Council assets and opportunities.
- 4.7 Using CCS Framework RM6187 enables the Council to undertake a compliant procurement methodology and is the most effective route to enabling the Council to

deliver required outputs in the tight timelines imposed by the Shared Prosperity Fund, Workington Town Deal and Maryport Future High Streets Fund programmes and ensuring continuity throughout the ongoing projects. Working alongside this external partner will enable Council staff to develop skills and experience to be utilised on capital projects and to inform and scope future commissioning in the capital programme delivery.

4.8 When commissioning the consultant support, the Council has considered its requirements to include:

- Ensuring that the Council is well placed to take advantage of the allocations awarded it for the Town Deal, the Future High Streets Fund and potential funding through the Levelling Up Fund and Shared Prosperity Fund.
- Enabling the Council to quicken its pace of regeneration delivery.
- Enabling the Council to respond to future regeneration opportunities quickly and successfully.
- Ensuring that quality regeneration schemes that leave a long-lasting legacy are developed to the betterment of the local area.
- Maximise the economic, social and environmental benefits arising from the programme of work carried out by the strategic partnership.
- Provide additional capacity (beyond the Council's own 'client-side' service) through the provision of all advisory resources necessary to deliver quality outcomes.
- Build competency through knowledge transfer and upskilling of the Council's in-house team.
- Put in place much needed flexibility to manage changing peaks and troughs of future project activity and reduce the Council's reliance on ad hoc contractor support.
- Build mature and successful working relationships with other key partners including (but not exclusively) Britain's Energy Coast, Allerdale Investment Partnership, Cumbria Partners, and Cumbria County Council.
- Providing a range of services to scope, plan, and deliver capital projects in partnership with the Council. This may also be sourcing any ancillary services such as urban planning, architectural design, civil engineering, environment and infrastructure, landscaping or project management, which may be required on a project-by-project basis.

4.9 In devising a commissioning strategy, a number of actions were undertaken and a range of approaches were considered.

4.10 Initially, it was considered whether the Council could recruit the resource internally but the range of skills and experience required means that it would not be possible to replicate what could be offered by an experienced multi-disciplinary consultancy. Further, some tasks and activities would be unique and, by their nature, the required outputs are relatively discrete, meaning that recruiting and employing

additional officers on a full time/part time equivalent basis is not the most cost effective method of fulfilment.

- 4.11 Similarly, buying services as required on an ad hoc basis is not favoured because it increases costs to the Council, does not achieve continuity across projects, requires multiple procurements resulting in an inefficient use of Council's officer time and increases risk to achieving programme objectives within the required timeframes.
- 4.12 The appointment of a multi-disciplinary strategic partner, with a track record of delivering programmes and outputs with Allerdale and with other councils, is beneficial as it will allow for a continuity of knowledge and transfer of skills across multiple projects, build on the established relationship with the Council and its contractors, maximise the Council's purchasing power, and provide economies of scale when commissioning resources and support for project activity.

5.0 Delivery arrangements

- 5.1 The Council previously procured Mott MacDonald through a direct call-off process from CCS Framework RM3745. As part of that process, the Council issued a statement of requirements against which Mott MacDonald were asked to prepare a response including a detailed proposal for how they would fulfil those requirements including confirming their delivery team, their methodology for mobilisation and project management, commercial proposal and fixed fees for the programme of works. The Strategic Partner Support Proposal received from Mott MacDonald is attached at Appendix A.
- 5.2 Mott MacDonald set fixed fees in respect of the principal aspects of the capital programme including the Workington Town Deal and Maryport Future High Streets Fund projects, and provided detailed costs information and rate cards in respect of other aspects of the requirements to allow the Council to agree scope and draw down support and on a project-by-project basis for future call offs under the consultancy arrangement.
- 5.3 CCS Framework RM3745 is no longer live and has been superseded by the new iteration 'Crown Commercial Services Consultancy Framework Three RM6187 / MC3 Lot 8 – Infrastructure including Transport'. Similar commercial arrangements are proposed in respect of a call off under the new framework.
- 5.4 The Council will measure the quality of delivery against an agreed set of milestones, service levels and performance indicators to be incorporated as part of the contract. The Council also has responsibilities specific to the Town Deal and Future High Streets Fund programmes that relate to programme governance, stakeholder and community engagement and reporting, monitoring and evaluation in its capacity as accountable body. In the event that the Council is successful in securing grant funding through the Shared Prosperity Fund, the delivery arrangements and obligations would be conducted in compliance with programme requirements.
- 5.5 The Council's commitment to support Cumbria's local economy and increase local spend is reflected in the proposed appointment of the consultant partner by

requiring that local contractors are used where possible to support the delivery of outcomes identified in the specification.

- 5.6 Mott MacDonald, as consultant partner, will work alongside the Council's Programme Management Office, report to the Assistant Chief Executive (Innovation and Commercial) and will work closely with the Programme Directors for Workington and Maryport as well as the Council's Strategic Advisor for Capital Programmes. All Council programmes and projects have an open governance approach that is integrated within the existing corporate governance framework. The consultant partner will continue to work within this structure including the use of formal project management practices, reporting to the Council's Regeneration and Investment Programme Board, sponsoring groups and, where necessary, the appropriate decision-making processes as required by the Council's constitution.

6.0 Implications and Impact

6.1 Contribution to Council Strategy Priorities, Outputs and Outcomes

The proposal aligns with key objectives of the Council Strategy 2020-2030:

Invest to grow:

- Use our asset portfolio to create new or different opportunities;
- Utilise key partnerships to stimulate growth;
- Work with partners on key economic sites and opportunities.

Thriving towns and villages:

- Create town plans that enable our towns to adapt to the changing nature of the high street
- Give people a reason to visit our towns (festivals, events, cultural and sporting activities, markets)
- Support businesses
- Build communities not homes

6.2 Finance/Resource implications

The Council's approved capital programme includes provision for the Workington Town Deal and Maryport Future High Streets Fund programmes as well as additional projects potentially delivered in conjunction with the consultant partner.

Mott MacDonald have provided fixed fees in respect of the outstanding elements of the scope for the Maryport Future High Streets Fund projects, and have provided detailed costs information and rate cards in respect of the other aspects of the requirements to allow the Council to agree scope and draw down support and on a project-by-project basis for future call offs under the consultancy arrangement in a way that provides transparency and costs certainty for the Council.

Costs for projects delivered through the partnership will only be committed subject to adequate budget provision. The Council will look to utilise its grant funding in respect of costs for delivery of the Workington Town Deal and Maryport Future High

Streets Fund programmes. Where permitted under the terms of those grants, both capital and revenue costs will be prioritised from grant funding. In the event of additional revenue requirements, the Council can re-visit revenue budgets as project costs are more fully scoped and defined. Budget provision to support the revenue and resource requirements for project delivery, the development of funding bids and the assurance process has been made through a revenue allocation from the SIIF.

6.3 Legal and governance implications

The Council previously procured Mott MacDonald through a direct call-off process from CCS Framework RM3745, which is a compliant procurement framework operated by Crown Commercial Services with set rules, procedures and contractual documentation.

The Council's existing call-off agreement with Mott MacDonald includes clause 23.1.1, which restricts variations to non-material issues. Non-material issues include things such as changes to the scope of service, programme and the like. While extending a Contract End Date may be considered to be a variation to the contract, and therefore a material change, it does not restrict the framework Contract from being varied by Deed of Variation. A Deed of Variation can amend the Call-Off Contract Period from the current drafting in clause 1.1 (Expiry Date) to reflect the RM3745 drafting to allow for the completion of outstanding project elements outlined at paragraph 4.4 above by June 2022. No other terms or conditions will be amended.

CCS Framework RM3745 is no longer live and has been superseded by the new iteration 'Crown Commercial Services Consultancy Framework Three RM6187 / MC3 Lot 8 – Infrastructure including Transport'. While pre-existing ongoing work can continue, any new call offs must be from the new CCS Framework RM6187. As such, it is proposed that the further appointment of Mott MacDonald as consultant support is through a direct call-off process from the new CCS Framework RM6187.

Once approved, the contractual arrangements with Mott MacDonald would be confirmed in a legal agreements, including the terms of their appointment, milestones and performance measures.

The Council is the lead authority and accountable body for the Workington Town Deal. Likewise, the governance, assurance and monitoring and reporting processes associated with the Maryport Future High Streets Fund programmes is delivered by the Council in line with its own governance processes. In the event that the Council is successful in securing grant funding through the Shared Prosperity Fund, the delivery arrangements and obligations would be conducted in compliance with programme requirements.

6.4 Risk analysis

Risk	Consequences	Controls Required	Mitigated Score
Procurement challenge by awarding directly	Legal challenge could be costly for the Council.	Ensuring that the use of direct award is appropriate and that we are satisfied that the proposal delivers value for money for the Council	4
Terms and Conditions for a direct call off cannot be changed.	There is less flexibility for the Council to shape the procurement if we award directly.	Using the CCS is a government framework. Terms and Conditions are set out to be fair to supplier and buyer	3
Value for money cannot be demonstrated	Lack of competition means prices are fixed as advertised on the framework	Continuity of supplier and packages of work mean that value of existing piece of work is not lost by using a direct award. Prices in proposal can be benchmarked across similar work packages.	3

6.5 Increasing satisfaction and service

The proposed consultant partnership will enable the Council to better achieve its aims for Allerdale and its residents. It will do this by fully leveraging the capacity and expertise that exists, both within the Council and with our consultant partner, significantly accelerating the pace of delivery of our Corporate Plan priorities

A primary objective of the Council's capital programme and the Workington Town Investment Plan and Maryport Future High Streets Fund schemes is to build on Allerdale's existing quality of life offer and improve opportunities for residents, visitors and business. The projects within the Town Deal and Future High Streets Fund programmes include focus on improving accessibility within the town centres and improving access for residents to formal and informal recreation as well as increasing opportunities to access employment and education.

6.6 Equality impacts

Further consideration to be given to equality impacts through detailed business case development and detailed design of the various projects.

6.7 Health and Safety impacts

The Health and Safety impacts associated with the delivery of the individual projects will be considered fully as the projects are developed in detail.

6.8 Health, wellbeing and community safety impacts

Projects to be delivered will contribute to health and wellbeing of residents by enhancing public spaces, increasing opportunities for recreation and exercise as well as increased opportunities to engage in sporting activity. As projects are developed, further community safety impacts will be fully considered including through detailed design work.

6.9 Environmental/sustainability impacts

Sustainability, clean growth, and environmental sensitivity are key principles of the Council's capital programme.

6.10 Other significant implications

Not applicable.

Appendices attached to this report

Appendix number	Title of appendix
A	Mott MacDonald – Strategic Partner Support Proposal

Background documents available

Name of background document	Where it is available

Report author(s) and contact officer(s):

Brendan Carlin

Assistant Chief Executive (Innovation and Commercial)

Email address brendan.carlin@allerdale.gov.uk

Tel no. 01900 516640