

**Wards Affected:**

*All Wards*

**APPROVAL TO TENDER FOR THE POSITION OF PROGRAMME DIRECTOR  
(REGENERATION FOR MILTON KEYNES)**

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**Executive Summary:**

This report is seeking approval to commence the tender process in accordance with the Council's Contract Procedure Rules and Financial Regulations.

Tenders will be invited using the Council's E-Tendering system for the provision of Programme Director to progress the Council's Regeneration Delivery aims and objectives, crucially to drive forward the development of a partnership to deliver the physical regeneration of deprived areas within Milton Keynes.

**1 Recommendation(s)**

- 1.1 That the commencement of tender processes for the procurement of a Programme Director for Regeneration Delivery be approved.

**2 Issues**

- 2.1 The Council's Constitution requires all procurement in excess of £100,000 to be approved by Cabinet Procurement Committee. This includes both the decision to formally award contracts and the decision to authorise officers to commence tender processes.
- 2.2 This report requests approval to obtain tenders for the provision of project management capacity to enable the Council to embark on an innovative and ambitious programme to regenerate Milton Keynes most deprived areas.

The funding for the requirement will be met by revenue/capital budget allocated within 2012/2015 years.

**2.3 Consultation and Policy**

- 2.3.1 The procurement seeks to implement the Council's approach to Regeneration for Milton Keynes, agreed by Cabinet on 20/6/12. (Cabinet Committee to review and revise the Regeneration Strategy). The procurement seeks to progress the Council's strategic vision as set out in the Corporate Plan.

2.3.2 The draft specification will be developed in partnership with the relevant Cabinet Member

## 2.4 Specification

2.4.1 The procurement seeks to deliver the following service objectives:-

To develop and deliver a regeneration programme leading to the successful regeneration of the city's most deprived housing areas. Key objectives to include:

- A clear defining of the regeneration programme objectives, purpose and vision; for a Project Plan to be developed to clearly communicate programme timescales; to critically include resident engagement
- The establishing of governance arrangements together with project documentation and controls systems
- Development of an Outline Business Case
- The preparation of an output brief and specification for obtaining delivery partner(s)

## 2.5 Evaluation Criteria & Panel

2.5.1 The MEAT evaluation of tenders will be as follows:

(a) Price @ 40%

(b) Quality @ 60%

2.5.2 The quality evaluation criteria will also have sub criteria that reflect the relative importance of the skills and experience required to develop and lead the complex and demanding regeneration programme. Weighting will reflect ability and acumen in areas relating to investment, regeneration and development; technical professional and commercial expertise will be required.

2.5.3 Tenders submitted will be evaluated by Corporate Directors Finance and Community Wellbeing together with AD Housing. Corporate Procurement will be engaged to support the tender process.

## 2.6 Contract Terms and Conditions

2.6.1 Tenders will be sought for a contract period of two years, renewable at 6 monthly intervals, starting on 14/1/13 and ending on 14/1/15. Payment will be monthly but subject to clear delivery measures. The contract will be reviewed every 6 months.

2.6.2 The Council's standard Terms and Conditions for contract will be used.

2.6.3 The Council's Senior Client Officer for the procurement and management of the contract is Housing Assistant Director.

### 3 Options

3.1 The following options appraisal has been conducted:

#### 3.1.1 **Employment of permanent member of staff. Not recommended**

The required skills and experience are not easily found to deliver against the requirements of this kind of complex programme. It is not considered that a normal recruitment exercise would lead to the appointment of a suitable candidate.

#### 3.1.2 **Direct employment of fixed term contract employee. Not recommended**

Candidates would be selected via agencies who would require a 'finders fee'. In addition the anticipated daily rate of £500 with council on costs would be equivalent to a salary in the region of £150,000

#### 3.1.3 **Run a 'call-off' from a pre-established recruitment framework or project management framework (using GPS formally the OGC). Not Recommended**

Hourly overheads would be charged by the framework provider adding to costs.

#### 3.1.4 **Not to appoint a Programme Director for Regeneration Delivery. Not Recommended**

In house resources have not been identified to undertake the complex mix of technical, commercial, financial, management and regeneration experience required. Commercial acumen is needed, working with partners in the private sector, exploiting opportunities as they present, for the benefit of residents in regeneration areas. Clear leadership and direction is critical to achieve momentum to drive forward the council's regeneration strategies, delivering successful regeneration of the city's most deprived housing areas.

#### 3.1.5 To run an OJEU Tender. **The Recommended Option**

This option will almost certainly deliver the best value for money with no hourly overheads payable to the framework provider (as per the options above) and no in-built delay as with option 3.1.3. While the administration associated with this option is likely to be time consuming, with many applications expected with individual evaluation required, this can be mitigated by timely management and resourcing of this element of the recruitment process. A thorough testing of the market to obtain the most suitable candidate at the best price for this critically important position would merit the up-front investment in the recruitment process associated with this option.

## 4 Implications

### 4.1 Policy

The tenders seek to implement the Regeneration Strategy 2009 – 12 “ To arrest and reverse the cycle of neighbourhood decline, thereby transforming the life prospects of the most deprived residents”. The appointment of a Programme Director will be significant in making this ambition a reality.

### 4.2 Resources and Risk

'The costs of this contract are met from the Regeneration Budget (General Fund and Housing Revenue Account).The costs identified within this exercise can be contained within the agreed budget.

4.2.1 The Risk Assessment for this contract is available if requested or directly via Members access to GRACE. In summary:

4.2.2 The key OPPORTUNITY secured by this contract is for a high standard of professional expertise to be secured in a key council priority area. Organisational Transformation programme Strand 7, 'Transformation of the Housing Service' is a major change programme requiring a level of technical and commercial experience and expertise. It has been recognised that in order to deliver against programme objectives there is the need to bring in the required high quality resource in specific areas and which is not available from within existing staff resources. The appointment of a programme director will provide the requisite skills, abilities and critically, commercial acumen, to drive forward the regeneration programme in Strand 7. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

4.2.3 The key RISKS/THREATS for this contract have been assessed as:

Administrative time associated with processing applications attracted through an open OJEU tender. This will be mitigated as outlined under 3.1.3

The governance measures set out above provide a basis to conclude that this threat, properly managed represent a MEDIUM Likelihood or a LOW Impact.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

### 4.3 Legal

This recommendation complies with MKC rules, UK and European legislation.

#### 4.4 Other Implications

Y	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
Y	Carbon and Energy Policy				

Background Papers:       None