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| Subject: | Procurement of the City Downland Estate Management Consultancy Contract | | |
| Date of Meeting: | 12th July 2012 | | |
| Report of: | Strategic Director Resources | | |
| Lead Member: | Leader, Chair of Policy & Resources | | |
| Contact Officer: | Name: | Angela Dymott | Tel: 291450 |
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| Key Decision No: | | | |
| Ward(s) affected: | All | | |

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To secure agreement to the re-tendering of the Estate Management consultancy contract for the council's City Downland Estate, currently provided by Smiths Gore, following the budget amendments agreed at Budget Council February 2012. The contract will be retendered as required by European Legislation and associated regulations. The contract will be advertised in the Official Journal of the European Union (OJEU), in which all public sector tenders above a specified value, are advertised. Not only does this ensure transparency the regulations lay down a well recognised process for tendering contracts. The process also ensures that the contract is exposed to all potentially interested parties.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee authorises:

- (a) The retendering of the Estate Management consultancy service for the City Downland Estate for a 5 year period, with an option for up to a 2 year extension.
- (b) The granting of delegated powers to the Strategic Director Resources in consultation with the Leader, Chair of Policy & Resources Committee to, a) award the contract following the recommendations of the evaluation panel and the results of the tendering process and b) approve an extension to the contract if required dependent on performance.
- (c) The timetable and process, as set out in Paragraph 3.8 and Appendix 1.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Council has a large rural portfolio, the City Downland Estate, that extends to about 10,500 acres (4400 hectares) consisting of 22 Agricultural Act Holdings, 14 farm business tenancies, 7 commercial tenancies and 7 license agreements. The portfolio is currently held mainly for investment purposes managed on the basis of more wide-ranging criteria taking account of environmental, social and economic regeneration as detailed in the refreshed Downland Initiative, the new City Downland Estate Policy.
- 3.2 The Property & Design service manage the outsourced contract for the core day-to-day rural estates functions of the Downland portfolio currently undertaken by Smiths Gore. They provide a full range of services including; rent collection, chasing arrears, new lettings, rent reviews, lease renewals, valuation, instructing and liaising with solicitors, addressing tenants queries, maintenance issues, disputes, landlord & tenant issues and a range of minor activities.
- 3.3 The City Downland Estate has been managed to provide income generation, within the Downland Initiative policy developed in 2005 to ensure social, economic and environmental aims and benefits are achieved. This document has been recently revised and renamed the City Downland Estate Policy and the overarching aim is to *“sustain natural resources provided by the council’s City downland estate by working in partnership with relevant stakeholders and potential beneficiaries and pursuing an economically sustainable approach for the council and its tenant farmers.”*
- 3.4 A report was presented at Cabinet on 14 July 2011 titled Procurement of the Commercial Portfolio’s Consultancy Contract and Cabinet resolved to bring the estate management of the City Downland Estate in-house. That decision was subsequently called in and considered at Overview and Scrutiny Committee on 22 July 2011 where it was resolved that the decision was to be referred back to Cabinet for reconsideration on the grounds:
- There was inadequate consultation carried out prior to the decision being taken.
 - The financial implications of the decision had not been properly assessed.
- A further report was presented to Cabinet on the 1st September where it was agreed that the City Downland Estate would be managed in-house. However following budget amendments agreed at Budget Council in February 2012 it is proposed to re-tender the contract under OJEU.
- 3.5 The contract specification will ensure that management approaches are developed to reflect the City Downland Estate Policy’s detailed aims and recommendations covering: -
- Agriculture, land use and groundwater protection (including appropriate economic diversification and eco-tourism).
 - Public access, recreation and understanding.
 - Wildlife and landscape conservation.

- 3.6 It is also proposed that the scope of the performance measures and incentives are reviewed and refined within the tender documents to ensure they reflect the new City Downland Estate Policy, close partnership working with the SDNPA and farm tenants.
- 3.7 It is considered that value for money and greater flexibility will be achieved more readily with a 5-year contract offering the option of an extension of up to 2-years subject to performance.
- 3.8 The existing contract has been extended whilst the council re-procures on a 3 month rolling break where a 3 month notice to terminate can be issued before the long stop date. Subject to approval we would place the OJEU advert and prepare for the re-tendering process. A cross departmental working group will be established to work on the specification, evaluation criteria and procurement process to comply with European legislation. The Property Estates team are working closely with the Procurement team. The proposed timetable is set out in Appendix 1.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 Regular consultation will continue with the relevant stakeholders, councillors and the cross departmental working group.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 It is expected that the estimated expenditure under the retendered contract will remain within the current budget although further variation may depend upon the potential inclusion of additional services. The contract occasionally incurs additional expenses in relation to specialist support for lease renewals etc depending on the frequency anticipated within each financial year and these have historically been met from within existing budgets.

The budget amendment at Budget Council in February agreed to keep the downland management contract with the existing provider whilst a new contract is tendered and procured generating a saving of £50,000 in the relevant Resources and Finance budgets.

Finance Officer Consulted: Name Rob Allen Date: 11/06/12

Legal Implications:

- 5.2 The retender of the Estate Management consultancy service contract is subject to compliance with the full application of applicable EU legislation together with the Public Contracts regulations 2006, the Council's Contract Standing Orders and Financial Regulations.
- 5.3 The recommendations in section 2 are proper to be referred to the Policy & Resources Committee for approval. This is to comply with Contract Standing Order 3.1, which stipulates that authority to enter into a contract(s) worth more than £500,000 be given by the relevant Committee.

Equalities Implications:

- 5.4 Equalities issues are addressed in the specification and quality standards that will form part of the tendering process and contract agreement.

Sustainability Implications:

- 5.5 These issues will be addressed in the City Downland Estate Policy supported by the Biosphere Reserve bid and the One Planet Living Framework and other relevant policies. These issues will be addressed in the tender specification ensuring that the successful bidder(s) has/have commitments in place consistent with those promoted by the council.

Crime & Disorder Implications:

- 5.6 There are no crime & disorder implications

Risk and Opportunity Management Implications:

- 5.7 Risks are that few tenders are received and tender prices are high. Alternatively there could be a very high competitive level of interest which is to the council's advantage although the short listing process more time consuming.

Public Health Implications:

- 5.8 The proposal supports healthy lifestyles by promoting access to the council's City Downland Estate and encouraging outdoor activity.

Corporate / Citywide Implications:

- 5.9 As contained in the body of the report, promoting the City Downland Estate Policy, One Planet Living, value for money and a sustainable economy.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Return the management of the rural portfolio to the council's direct management. This option has been explored as covered by the Cabinet reports of July and September 2011 and the budget amendments, February 2012.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To secure agreement to the re-tendering of the Estate Management consultancy contract for the council's City Downland Estate, currently provided by Smiths Gore, following the budget amendments agreed at Budget Council February 2012.

SUPPORTING DOCUMENTATION

Appendix:

1. Proposed OJEU timetable

Documents in Members' Rooms

None

Background Documents

None

