

<b>REPORT TO:</b>		Cabinet	
<b>DATE:</b>		7 December 2022	
<b>PORTFOLIO:</b>		Cllr Miles Parkinson OBE - Leader	
<b>REPORT AUTHOR:</b>		Steve Riley – Executive Director (Environment)	
<b>TITLE OF REPORT:</b>		Identification of an external Project Director – LUF	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>Options</b>	Not applicable	
<b>KEY DECISION:</b>	<b>No</b>	If yes, date of publication:	

## 1. **Purpose of Report**

- 1.1 To seek approval to waive the Council’s Contracts Procedure Rules to identify and appoint a suitably experienced consultant, who will act as the Council’s Project Director for the Council’s Levelling Up Fund and UKSPF Interventions.

## 2. **Recommendations**

- 2.1 Cabinet agree to waive the Contracts Procedure Rules and grants delegated authority to the Executive Director (Environment), to select up to 2 members from the Stakeholder Board plus the Councils external consultant Bradshaw Advisory to act as a selection panel to identify the external consultant who will act as the Council’s Project Director in delivering the Council’s Levelling Up Fund Interventions as set out in paragraph 3.4 to 3.6 of the report.
- 2.2 Cabinet grant delegated authority to the Executive Director (Environment), following consultation with the Executive Director (Legal & Democratic Services), to agree the terms of the agreement to appoint the preferred Project Director.

## 3. **Reasons for Recommendations and Background**

- 3.1 A £20m funding bid into Round 2 of the Levelling Up Fund was submitted at the end of August 2022, but the Government’s announcement on successful bids has been delayed and it is likely to be made by the end of November 2022.
- 3.2 The Levelling Up fund spending timescales are extremely tight, with funding criteria requiring some capital spending to be made within the financial year 2022/23 and all spending to be completed by 31 March 2025. Whilst there is a suggestion in the LUF guidance that spending may be permitted within the financial year 2025/26, this is only in exceptional circumstances and at the sole discretion of the funding body, DLUHC.

The UK Shared Prosperity Fund has similar timescales in that expenditure must be made between April 2022 and April 2025. It is therefore prudent to continue at risk with some elements of work before any announcement, where not doing so would most likely lead to unacceptable project delays.

- 3.3 It is recognised that the Council does not have the specific knowledge or experienced staff 'in house' to manage contractors and professional consultants on the delivery of such high value construction projects. Many other local authorities are in the same position. Round 1 funding saw £1.7bn allocated to councils, a large proportion directed into the construction industry and potential funding from Round 2 of a further £1.2bn will lead to people with key project management skills becoming even more sought after.
- 3.4 To ensure the Council has the opportunity to secure someone with the necessary skill set to take on this role, three external Project Directors have been identified as having the required skills, knowledge and experience, (two are individual consultants and the third is employed within a large consultancy organisation). All have a track record of delivering successful large scale, (£20m+) construction related projects and understand the importance of delivering externally funded projects on time and to budget.
- 3.5 The selection panel will consider each Consultant's skills and experience and which proposal is the most advantageous / provides any added value to the Council. In addition, the Council will be comparing the three consultants on quality and cost, all of which should ensure value for money and provide a necessary element of competition.
- 3.6 Waiving the Council's Contract Procedure Rules, means the Council can undertake the interview/selection process to identify a preferred project director before other authorities in the NW commence their search for project management support. Following the announcement of Hyndburn's LUF submission being successful, the project director can commence work shortly afterwards, which avoids the longer timescales involved in waiting until the announcement is made before undertaking a far longer, formal tender exercise.

#### **4. Alternative Options considered and Reasons for Rejection**

- 4.1 One option is to wait until the outcome of the Council's submission and then undertake an open tender exercise but it is recommended that this is rejected. This is because it is important that the search is undertaken quickly as the timescale for delivering all LUF interventions is extremely tight and there will be an ever greater call on suitably experienced consultants.

#### **5. Consultations**

- 5.1 The Leader of the Council and the Chief Executive.

#### **6. Implications**

<b>Financial implications (including any future financial commitments for the Council)</b>	The cost associated with the Council appointing a Project Director is similar to other professional costs associated with
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	<p>delivering construction projects, i.e. Architects, Engineers and Quantity Surveyors. An allowance for all of these fees has been included within the LUF bid, having been estimated by the externally appointed construction cost consultants, MAC.</p> <p>Whilst the cost of engaging the Project Director to manage the works will be met from the LUF bid, it may be beneficial to engage the consultant prior to any announcement of the Council's bid as they can contribute to discussions with framework providers and the Council's preferred partner / operator.</p>
<p><b>Legal and human rights implications</b></p>	<p>The approval to waive the Council's Contracts Procedure Rules is required in order to fulfil our legal obligations in relation to procurement procedures.</p> <p>When applying the indicative daily contract rate for a project director, the estimated contract value for the appointment, based on an average of 1.5 days per week over an 18 month period, is not likely to exceed the Public Contracts Regulations 2015 limit for services contract of this type and the relevant procurement rules are therefore not expected to apply in this instance.</p> <p>Once an announcement that the Council's funding bid has been successful, a suitable deed of appointment will be entered into with the preferred project director.</p> <p>There are no human rights implications for this report.</p>
<p><b>Assessment of risk</b></p>	<p>Commencing the search for a suitable project director prior to the announcement of Round 2 submissions, allows for a wider choice of suitably experienced consultants, who will provide the Council with advice on framework providers, potential contractors / consultants and reduce the potential for delays to an already extremely short delivery funding timescale.</p>
<p><b>Equality and diversity implications</b>  A <a href="#">Customer First Analysis</a> should be completed in relation to policy</p>	<p>N/A for this report</p>

<i>decisions and should be attached as an appendix to the report.</i>	
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7. **Local Government (Access to Information) Act 1985:**  
**List of Background Papers**