

DERBYSHIRE COUNTY COUNCIL

CABINET

26th October 2017

Report of the Strategic Director Commissioning, Communities and Policy

ESTATE MANAGEMENT CONSULTANCY - FRAMEWORK

(Council Services)

1. Purpose of the Report

To seek approval, under Protocol 2 of the Council's Financial Regulations, to utilise the Eastern Shires Procurement Office (ESPO) Framework for Estate management Consultancy Services (Ref: 2700/15) relating to the use, management, acquisition, disposal and development of land and property, to augment existing services provided by our in-house Estates team.

2. Information and Analysis

The Estates team within Corporate Property have recently experienced a significant reduction in staff numbers due to a combination of the effects of Corporate Property re-structure in April 2015, officers leaving for other positions or retiring.

Attempts to recruit have delivered a mixed response, and efforts are on-going where vacancies exist, however there is clear indication of a skill shortage across the Estates Management profession, and further constraints imposed by salaries below the market norm exacerbate this situation.

Further, key areas of Estates Management have recently experienced a requirement for extra resources to assist the Council deliver its responsibilities. Examples where additional resources are currently required include the preparation of fixed asset valuations for financial accounting purposes, market valuations and disposals of the council's surplus property to Derbyshire Developments Ltd, and commercial sales and lettings of other surplus property

on the open market to generate a capital receipt or revenue income through lettings.

Estate management consultancy for some of these areas, for example fixed asset valuations are 'specialist' areas and the input required to augment the existing in-house team is required over peak periods rather than an on-going requirement. A permanent established extra resource is not therefore always the best way to fill these gaps in the in-house service, even if resources were approved and available. Flexibility of provision would be beneficial to the existing team and overall service, and whereas agency workers are often utilised for these purposes, increasingly sourcing such professional services is proving challenging.

Available frameworks have been reviewed for suitability including the ESPO and Crown Commercial Services frameworks. The ESPO framework alone provides a number of Lots in relation to specific types of Estate Management services, and has a specific Lot for Fixed Asset Valuations. It is important for the Council to be assured that external suppliers understand the specialism required of these services, and having competitively pre-qualified and tendered for specific Lots provides the council with some assurances of this.

The ESPO Estate Management Consultancy Services Frameworks is divided into a number of Lots. The specific Lots which offer the Council significant benefits are:

- Valuation Services- (Fixed Asset Valuation, Rating Valuation, General Valuation)
- Commercial and Agricultural Agency- (includes letting agency and strategies)
- Property/estate Management – (broad range of day to day estate management services)

The framework has been established by local government specifically for local government users. The framework is compliant with UK/EU procurement legislation, and suppliers listed on the framework have already pre-qualified for their financial stability, track record, experience and technical and professional ability.

The framework provides the Council with a large number of suppliers in each Lot, including SME's. It is intended that a mini-competition will be run with suppliers in each specific Lot to ensure value for money and quality of provision is achieved. A single supplier for each Lot will be awarded the contract for 2 years with the option of extending for a further 2 years.

ESPO is a not for profit self-funded organisation. There are no charges to the Council for use of their frameworks, as their overheads are covered by a retrospective rebate to the suppliers.

3. Financial Considerations

Depending on the consultancy service provided the fees will be deducted from the income generated, for example where a sale or letting of a specific property occurs, or from existing Corporate Property budgets.

4. Legal Considerations

The call-off contract with a supplier will set out terms and conditions under which a specific purchase (call-off) can be made which will be reviewed by the Director of Legal Services.

5. Social Value Considerations

As an established framework social value scoring will have been incorporated in the pre-selection process, however by running a mini- completion the Council has the opportunity to include further criteria, and this will be explored at the next stage of the process. The majority of the suppliers on the ESPO framework all have offices in the region, which will benefit the local economy.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered; prevention of crime and disorder, equality and diversity, human resources, environmental, health and transport considerations.

7. Key Decision

NO

8. Call-in

Is it required that call-in be waived for any decision on this report? **NO**

9. Background Papers

Documentation is held within the Procurement and Systems Section, Corporate Finance. Supporting Business Case is held within the Corporate Property Section, and has been approved by the Director of Finance.

10. Officer's Recommendation

That Cabinet:

10.1 Approves the use of the ESPO Frameworks for Estate Management Consultancy Services (Ref: 2700/15) for a period 2 years from January 2018 to January 2020, with the option to further extend to 2022.

EMMA ALEXANDER
Strategic Director Commissioning, Communities and Policy