



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Simon Green

Date: 27 February 2013

Subject: Cleared Sites Contract 2013/16

Author of Report: Neil Piper (20 37527)

Summary:

The current Cleared Sites Contract is used to manage and maintain cleared Council-owned sites (predominantly housing demolition sites) prior to their eventual disposal and/or development. This contract expires in April 2013, but will then be extended by three months to allow for completion of the procurement process.

In order to keep these sites tidy, safe and well-maintained, the Council will need to re-procure the contract and secure a new contractor to deliver these services over the coming years.

Reasons for Recommendations:

The current Cleared Sites contract expires in April 2013 and is then going to be extended by 3 months. The re-procurement and award of a new contract to cover the period July 2013 to April 2016 will allow for the continued management of the sites in the programme, keeping them tidy, well-maintained and safe, as well as increasing the attractiveness of the sites to potential developers as and when they are advertised for sale and development.

Recommendations:

R1. To approve the procurement of a contractor, by way of competitive tender, to deliver the services that form the Cleared Sites Contract 2013/16.

R2. To grant delegated powers to the Director of Commercial Services or his nominated representative to accept tenders and award a Contract for this Project, in consultation with the Director of Housing, Enterprise and Regeneration.

Background Papers: None

Category of Report: OPEN

Statutory and Council Policy Checklist

| |
|---|
| Financial Implications |
| YES Cleared by: Paul Schofield (24/08/2012) |
| Legal Implications |
| YES Cleared by: Lawrence Gould (22/08/2012) |
| Equality of Opportunity Implications |
| NO Cleared by: Ian Oldershaw (07/08/2012) |
| Tackling Health Inequalities Implications |
| NO |
| Human rights Implications |
| NO |
| Environmental and Sustainability implications |
| YES |
| Economic impact |
| NO |
| Community safety implications |
| YES |
| Human resources implications |
| NO |
| Property implications |
| NO |
| Area(s) affected |
| Potentially citywide |
| Relevant Cabinet Portfolio Leader |
| Harry Harpham |
| Relevant Scrutiny Committee if decision called in |
| Safer & Stronger Communities |
| Is the item a matter which is reserved for approval by the City Council? |
| NO |
| Press release |
| NO |

Cleared Sites Contract 2013/16

1.0 SUMMARY

- 1.1 The current Cleared Sites Contract is used to manage and maintain cleared Council-owned sites (predominantly housing demolition sites) prior to their eventual disposal and/or development. This contract expires in April 2013, but will then be extended by three months to allow for completion of the procurement process.
- 1.2 In order to keep these sites tidy, safe and well-maintained, the Council will need to re-procure the contract and secure a new contractor to deliver these services over the coming years.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE?

- 2.1 The Cleared Sites contractor will be responsible for the management and maintenance of Council-owned cleared sites (predominantly housing demolition sites) across the city. Having this contractor in place will ensure that the sites are kept well-maintained, tidy and safe and do not have a detrimental impact on local residents and other users of the areas in the vicinity of these sites.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 This contract will ensure that the cleared sites in the programme are maintained to an agreed standard until they are disposed of or developed. Continued maintenance of these sites ensures that they do not become overgrown, unmanageable or magnets for fly tipping and other anti-social behaviour. Continued annual investment in the cleared sites will also increase their position as assets within the local community rather than eyesores and trouble spots.

4.0 BACKGROUND

- 4.1 The current Cleared Sites contract was awarded to Green Estate Ltd in April 2008 following a competitive tender process. The initial contract term was three years, with the option to extend for up to two further 12-month periods. Both extensions were activated, and the final extension term expires during April 2013.
- 4.2 There are currently over 120 hectares of cleared space (predominantly Housing land) being maintained under the current contract, spread across approximately 100 sites all over the city. Many of these sites do not have imminent development plans, so without ongoing maintenance they will become unkempt, overgrown, unsightly and unsafe, attracting fly tipping and other types of anti-social behaviour.
- 4.3 The Housing and Neighbourhood Regeneration Team has acted as Contract Administrator for the current contract since its commencement, and will continue in this role under the new contract.

4.4 The bulk of the work will be carried out on cleared housing sites across the city. The contract will also allow for works to be carried out on other non-housing sites under Council ownership, subject to the funding being available.

5.0 PROPOSAL

5.1 The proposal is to re-procure the Cleared Sites contract to commence immediately upon the expiry of the current contract in July 2013. The new contract will follow the same structure as the current contract - an initial term of three years (2013-16) with the option to extend for a further two years in 12-month increments, subject to available funding and contractor performance.

5.2 Commercial Services are currently preparing the procurement strategy for this contract. Initial work has already begun and the opportunity will be advertised by the Capital Delivery Service and Pre-Qualification Questionnaires, will be received and evaluated during March / April 2013. It is proposed that these submissions then be short-listed, and the short-listed organisations (no more than 6) be invited to tender for the contract.

5.3 Tenders will then be evaluated based on price and an agreed set of quality criteria. The Preferred Contractor will be identified and the Director of Commercial Services will then be able to accept the tender, issue a letter of acceptance and award the contract in consultation with the Director of Housing, Enterprise and Regeneration.

6.0 FINANCIAL IMPLICATIONS

6.1 The anticipated value of the contract for its initial duration (2013-16) is approximately £900,000. The majority of this funding has been identified from the Housing Revenue Account, (HRA), but there is a need to identify other sources of funding to maintain non HRA sites throughout the city, this amount is in the region of £150,000.

Proposals are to be submitted to both the Local Growth Fund Board and Neighbourhoods Investment Programme Boards for funding for this amount.

6.2 The type of contract that will be used means that the Council cannot guarantee any value of work to the contractor during the life of the contract.

6.3 HRA funding has been identified as follows:

- 2013/14: £300,000
- 2014/15: £250,000
- 2015/16: £200,000

The budget has an annual reduction to take into account the anticipated transfer of sites out of the cleared sites programme for redevelopment through the Sheffield Housing Company.

6.4 There are some sites and portions of sites within the cleared sites programme that are not eligible for HRA funding. Based on the approximate ratio of privately-owned properties to Council stock that originally stood on the demolition sites, it is estimated that around 15% of the site area in the programme was privately owned. Including a contingency of £5,000 per annum, this equates to around £50,000 p.a. (15% of the contract value is £45,000 p.a.).

6.5 A review of the current proposals indicated that the expenditure does not qualify as capital spend and will need to be funded from the revenue budget for which there is no provision. Thus the non-HRA sites will not be maintained unless expenditure can be re-prioritised.

7.0 LEGAL IMPLICATIONS

7.1 It is acknowledged that the Transfer of Undertakings (Protection of Employment) Regulations 2006 may apply and, if that is the case, staff employed under the existing contract would transfer over to the successful tenderer. Corporate policies and procedures in this respect will be followed as the project progresses.

7.2 Officers are mindful of the importance of putting into place appropriate arrangements to secure the desired outcomes, ensure compliance with all legal requirements and protect the Council's position.

7.3 The Council's Contracts Standing Orders, including the European Union Procurement Rules, will be adhered to throughout the procurement. The tender process will be competitive and follow the principles of transparency and non-discrimination, and facilitate the achievement of value for money.

7.4 The successful tenderer will be required to enter into a formal written contract with the Council which will provide for effective service delivery at levels which accord with the Council's requirements.

8.0 EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact Assessment has been completed and is attached. It concludes that, for most groups, this project will have little or no impact. There may be some positive impact on the voluntary/community sectors and on community/social cohesion in the areas around the cleared sites. No negative equality impacts have been identified.

9.0 ALTERNATIVE OPTIONS CONSIDERED

9.1 One alternative option to re-procuring the Cleared Sites contract would be to let the current contract expire and not renew it. Whilst there would be obvious and immediate cost savings associated with this approach, the option was disregarded due to the substantial potential problems – both reputational and financial – that could arise if the cleared sites were not being maintained adequately. Many sites would

become overgrown and unmanageable very quickly, and past experience suggests that poorly maintained sites attract increased instances of fly tipping and other anti-social behaviour, as well as reducing the potential saleability and developability of the land. Sites could very easily become trouble spots and excessive plant and weed growth could hide numerous dangers (hazardous tipped materials, drug paraphernalia, broken glass, etc.), jeopardising the safety of local residents.

- 9.2 Another alternative to procuring an external contractor would be to use an in-house team from Parks & Countryside to carry out the works. Commercial Services approached the Director of Culture and Environment, who declined the opportunity.

10.0 REASONS FOR RECOMMENDATIONS

- 10.1 The current Cleared Sites contract expires in April 2013 and is then going to be extended by 3 months. The re-procurement and award of a new contract to cover the period July 2013 to April 2016 will allow for the continued management of the sites in the programme, keeping them tidy, well-maintained and safe, as well as increasing the attractiveness of the sites to potential developers as and when they are advertised for sale and development.

11.0 RECOMMENDATIONS

- R.1 To approve the procurement of a contractor, by way of competitive tender, to deliver the services that form the Cleared Sites Contract 2013/16.
- R.2 To grant delegated powers to the Director of Commercial Services or his nominated representative to accept tenders and award a Contract for this Project, in consultation with the Director of Housing, Enterprise and Regeneration.

Sheffield City Council Equality Impact Assessment



[Guidance for completing this form is available on the intranet](#)

Help is also available by selecting the grey area and pressing the F1 key

Name of policy/project/decision: Cleared Sites Contract 2013-16

Status of policy/project/decision: Existing

Name of person(s) writing EIA: Neil Piper

Date: 06/08/2012

Service: Housing, Enterprise & Regeneration

Portfolio: Place

What are the brief aims of the policy/project/decision? To procure a contractor to provide cleared sites maintenance services on Council-owned sites (predominantly Housing sites) across the city for the Cleared Sites contract 2013-16. The cleared sites maintenance programme is an ongoing programme and the current contract expires in April 2013. A new contract is therefore required so work can continue beyond April 2013.

Are there any potential Council staffing implications, include workforce diversity?

There are potential TUPE implications - these are being dealt with by Commercial Services under the Procurement Strategy.

Under the [Public Sector Equality Duty](#), we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

| Areas of possible impact | Impact | Impact level | Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.) |
|---|----------|--------------|---|
| Age | Neutral | -Select- | |
| Disability | Neutral | -Select- | |
| Pregnancy/maternity | Neutral | -Select- | |
| Race | Neutral | -Select- | |
| Religion/belief | Neutral | -Select- | |
| Sex | Neutral | -Select- | |
| Sexual orientation | Neutral | -Select- | |
| Transgender | Neutral | -Select- | |
| Carers | Neutral | -Select- | |
| Voluntary, community & faith sector | Positive | Low | As part of the assessment process, all potential contractors will be required to demonstrate a willingness to provide volunteering opportunities where appropriate. |
| Financial inclusion, poverty, social justice: | Neutral | -Select- | |
| Cohesion: | Positive | Low | Proper maintenance of cleared sites contributes |

| Areas of possible impact | Impact | Impact level | Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.) |
|--------------------------|----------|--------------|---|
| | | | positively to community cohesion |
| Other/additional: | -Select- | -Select- | |

Overall summary of possible impact (to be used on EMT, cabinet reports etc): The scope of this project is fundamentally equality neutral. The successful contractor will need to demonstrate a commitment to the provision of volunteer opportunities where appropriate, so there may be a slight positive impact on the voluntary sector. There will also be a small positive impact on community cohesion, as well-maintained cleared sites can improve and enhance an area. During the process of selecting and appointing a contractor, the Council's procurement rules will be followed, and in submitting tenders all potential contractors will be declaring their intention to adhere to all relevant statutory requirements related to this work, including Equal Opportunities, Health and Safety and Codes of Conduct. No negative equality impacts have been identified.

If you have identified significant change, med or high negative outcomes or for example the impact is on specialist provision relating to the groups above, or there is cumulative impact you **must** complete the action plan.

Review date: Ongoing throughout implementation **Q Tier Ref** / **Reference**

number: /

Entered on Qtier: No **Action plan needed:** No

Approved (Lead Manager): Neil Piper **Date:** 06/08/12

Approved (EIA Lead person for Portfolio): Ian Oldershaw **Date:** 07/08/12

Does the proposal/ decision impact on or relate to specialist provision: no

Risk rating: Low

Action plan

| Area of impact | Action and mitigation | Lead, timescale and how it will be monitored/reviewed |
|----------------|-----------------------|---|
| -Select- | | |
| -Select- | | |
| -Select- | | |

| Area of impact | Action and mitigation | Lead, timescale and how it will be monitored/reviewed |
|----------------|-----------------------|---|
| -Select- | | |
| -Select- | | |
| -Select- | | |
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| -Select- | | |
| -Select- | | |
| -Select- | | |
| -Select- | | |
| -Select- | | |

Approved (Lead Manager): **Date:**

Approved (EIA Lead Officer for Portfolio): **Date:**