



Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Garry Payne Chief Executive	Cllr Alan Vincent, Resources Portfolio Holder	10 May 2017

Provision of specialist consultancy services for sensitivity testing of the 2015 Wyre Employment Land Supply Update and 2016 Strategic Housing Market Assessment Addendum II

1. Purpose of report

- 1.1 To seek retrospective approval for an exemption to the Council's contract procedures to commission Lichfields (formerly Nathaniel Lichfields & Partners - NLP) and to seek approval to commission Turley for the provision of specialist consultancy services in connection with carrying out sensitivity testing of the Objectively Assessed Employment and Housing Need (OAN) figures using the latest economic forecasts and housing projections respectively.
- 1.2 To seek approval to commission consultants to attend meetings as necessary, including examination hearings to explain and defend their evidence work.

2. Outcomes

- 2.1 Compliance with the council's Financial Regulations and Financial Procedure Rules.
- 2.2 Delivery of a robust and sound Local Plan.

3. Recommendation/s

- 3.1 That retrospective approval is given for the procurement of Lichfields and the procurement of Turley to provide specialist consultancy services to undertake sensitivity testing of the employment and housing OAN figures for the Local Plan using the March 2017 Experian economic forecasts and the 2014-based sub-national population and household projections (SNPP and SNHP).

- 3.2** That approval is given using the exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules (Appendix F) as set out in Part 4.06.07 of the council's Constitution, that "the goods, works or services are of a specialist nature carried out by only one or a limited number of firms with no reasonably satisfactory alternatives available."
- 3.3** That authority is delegated to the Head of Planning Services to approve any additional sensitivity testing deemed necessary as later forecasts and projections are published and where the cost can be accommodated within approved Planning Services budgets.
- 3.4** That authority is delegated to the Head of Planning Services to commission Turley or Lichfields or both to attend meetings as necessary, including examination hearings to explain and defend their evidence work where the cost can be accommodated within approved Planning Services budgets.

4. Background

- 4.1** NLP were commissioned in March 2015 to undertake an update of the 2012 Employment Land Review (ELR). The update was completed in September 2015. The 2012 ELR and 2015 update use Experian forecasts of economic growth. The cost of the 2012 ELR and 2015 ELR Update were £30,985 and £16,321 respectively.
- 4.2** Turley were commissioned jointly by the three Fylde Coast Authorities to undertake a Strategic Housing market Assessment (SHMA) which was completed in February 2014. Subsequently the three authorities also commissioned Turley to prepare an Addendum to the 2014 SHMA to take account of the 2012 population projections. The cost to Wyre of the joint SHMA and Addendum I was £20,390 and £5,228 respectively. In August 2015 the council commissioned Turley to prepare Addendum II taking account the 2012 Household Projections and the results of the 2015 Wyre Employment Land and Commercial Leisure Review (ELR) update. The cost of that commission was £12,000.
- 4.3** In November 2015 following counsel's opinion, the council commissioned NLP to carry out sensitivity testing on the forecasts in the 2015 ELR Update using alternative datasets produced by Oxford Economics and Cambridge Econometrics at a cost of £3,500. Furthermore Turley were commissioned to examine additional scenarios using the alternative datasets as part of the SHMA Addendum II for an additional £7,215.

5. Key issues and proposals

- 5.1** It is critical that all evidence to support the emerging Wyre Local Plan is up-to-date and robust. This matter was raised at the recently held hearing sessions on the Fylde Local Plan. At the Fylde Local Plan examination, the Inspector has asked Fylde to consider the implications for the Local

Plan arising from the latest economic forecasts and population and household projections. It is anticipated that a similar question will be put to Wyre unless this matter is considered prior to publication of the draft Local Plan.

- 5.2** Further work is necessary to ensure that the housing and employment land figures included in the Plan were based on robust, sound and most up-to-date evidence.
- 5.3** The proposed sensitivity testing will consider whether the objectively assessed need figures for employment land and housing remain robust and relevant in view of the 2017 Experian economic forecasts, the designation of the Hillhouse site as an Enterprise Zone and the 2014 population and household projections.
- 5.4** There is neither the capacity nor the expertise in-house to carry out this specialist and technical work. As Lichfields completed the 2015 ELR Update and previous sensitivity testing in 2015 and Turley completed the Fylde Coast SHMA and Addendums I and II, they are in the best position to undertake this work effectively and efficiently for the two studies respectively and ensure consistency.
- 5.5** The cost for purchasing the latest Experian economic forecasts is £1,500. Lichfields have indicated that the cost for undertaking sensitivity testing is £5,500. Turley have indicated the cost of carrying out sensitivity testing using the latest population and household projections is £13,000. All figures exclude VAT. The total cost for all three elements is therefore £20,000.
- 5.6** Normally at least three written quotations would be obtained but as Lichfields and Turley are the only consultants who are realistically able to undertake sensitivity testing in relation to their respective studies and given the specific nature of the work an exemption to contract procedures is sought.
- 5.7** In order to ensure minimum impact on the Local Plan's immediate timetable, Lichfields have been commissioned to obtain the March 2017 economic forecasts and carry out the sensitivity testing. Their work will need to be factored into the work carried out by Turley. Lichfields are scheduled to complete this work by the end of May 2017. Turley have not as yet been commissioned but have indicated a timetable to start this work in mid - May and complete by mid-June 2017. Turley need to be commissioned without delay. Therefore retrospective approval is required to the commissioning of Lichfields and approval for commissioning Turley.
- 5.8** The economic and housing evidence prepared by Lichfields and Turley respectively forms the basis for defining the employment and housing OAN figures. These two OAN figures are often given the most scrutiny in considering the soundness of the Local Plan. Potentially this evidence could be challenged and therefore it might be necessary for the

consultants to attend meetings or examination hearings to explain and defend their work.

- 5.9** It is difficult at this stage to estimate overall cost for attending meetings. Costs will be based on the hourly rates of the consultants attending. With regards to Lichfields the standard hourly rate is £125 although it may be necessary for a more senior consultant to attend at £155 per hour. With regards to Turley the standard hourly rate is £165. These costs exclude VAT and expenses. Expenses will be limited to travelling to the meeting.

6. Delegated functions

- 6.1** The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3.03 of the council’s Constitution): “To consider departures from Rules relating to financial and contractual matters if appropriate”.

Financial and legal implications	
Finance	The cost of the additional work is estimated to be £20,000 excluding VAT. This will be met from savings on both the Local Plan consultants’ fees budget and the Development Management consultants’ fees budget. As such, the costs will be contained within overall existing planning consultants’ fees budgets.
Legal	As set out in the report, the exemption complies with the council’s Financial Regulations and Financial Procedural Rules (Appendix F). A contract for services has been entered with Lichfields and a contract for services will be entered into with Turley.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	X
equality and diversity	X
sustainability	X
health and safety	X

risks/implications	✓ / x
asset management	X
climate change	X
data protection	X

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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None

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