

Report of Environment and Housing Leeds

Report to Neil Evens

Date: 2 May 2014

Subject: Asbestos Surveys City Wide Contract Extension for External Providers

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): All Wards	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The current contract for asbestos surveys for old ALMO areas West North West and Aire Valley areas is due to expire July 2014.
2. Approval for a 12 month extension, this extension had been made available in the existing contract until July 2015, this existing contract will ensure continuity of service delivery and value for money.
- 3.

Recommendations

4. The Decision Panel is asked to note the contents of this report and it is recommended that the existing contracts for the old ALMO areas of West North West Homes and Aire Valley Homes with Environtec and McHale be extended in line with available contract provision until July 2015.

1 Purpose of this report

- 1.1 This report outlines the reasons behind the ALMO areas that cover Aire Valleys Homes Leeds and West North West Homes request to extend the current asbestos survey contract. This report will seek approval for a 12 month extension that had been made available in the existing contract until July 2015, this existing contract will ensure continuity of service delivery and value for money.

2 Background information

- 2.1 The undertaking of asbestos surveys is essential to ensure the health and safety of the LCC workforce, contractors, tenants, neighbours and visitors alike are protected.
- 2.2 The existing contracts to provide asbestos surveys to the old ALMO areas are due to finish on July 2014 but has an option built into the contract to extend the service until July 2015.
- 2.3 Currently, one contract is in place for the former ALMO areas, West North West Homes and Aire Valley Homes. This contract is a JCT Measured Terms Contract for 3 years with an Option to extend for a further year. The value of the whole contract is estimated at £2,000,000.
- 2.4 Similar services are provided in the former East North East Homes area by an internal SLA and are an SLA based contract with the in house provider Civic Enterprise Leeds.

3 Main issues

- 3.1 In terms of the focus of this paper this is in relation to the current asbestos surveying arrangements for the former Aire Valley and West North West areas which expire at end July 2014 but contain the option to extend for a further 12 months to July 2015.
- 3.2 An extension to the existing contract will enable LCC Environment & Housing to fulfil its obligation to supply survey information to contractors and maintain a current up to date database for the City's housing stock, this continuity will provide a stable platform during the Housing Leeds re-structure that is being undertaken during 2014.
- 3.3 The 12 month extension will provide the time required for LCC to undertake an assessment and develop a consistent way of managing the asbestos through joint working with other teams that cover the entire City; this assessment may include a larger joint working approach or merging sections from Asset Management Health and Safety Asbestos Team with other LCC Asbestos management teams, be that operational or Central Health & Safety. Another opportunity to be considered is to look at the Asbestos Surveying in house at the end of the contract extension period is the ISP better suited covering Education and CPM with Housing being covered by External Providers as strategic partners in the same way as asbestos removals. This would be in line with the Civic Enterprise Leeds 2015 business plan. This will also involve working with SMEs in line with Civic Enterprise Leeds

Ethos to support SMEs whilst giving the opportunity to bring eternal income into CEL through its traded services company.

3.4 The risks involved would be;

- Carrying out a new procurement for the 2 former ALMO areas during this transition period would introduce a potential delay that compromise the management of asbestos in a safe and effective manner.
- There could potentially be too many areas of the service that may change over a short a time frame.
- Traditionally a long lead time is required to mobilise this type of specialist work particularly with the existing and forthcoming technology and the councils IT interfaces.
- There is a significant risk that a short mobilisation period would impact on service delivery.

Furthermore the existing contract does contain provision within to extend for 12 months.

3.5 From initial discussions with representatives from Civic Enterprise Leeds it is proposed that no new procurement exercise will commence and that all services in relation to Asbestos surveys with all removals across the city being facilitated through our ISP Civic Enterprise Leeds.

3.6 In terms of the current service provision from the two external service providers Environtec and McHale through our existing contract the following can be reported in relation to:

- a. The quality of service for these two providers has being maintained at a consistently high level that meets the expectations of the contract. Both organisations have maintained their UKAS accreditation which gives an assurance that their quality is of the highest possible standards;
- b. Their performance has met the targets required (5 days for Voids & 10 days for Tenanted Properties) with the service standards for asbestos surveys being completed on or better than target. This has been maintained when large influxes of work have been ordered. Both organisations have implemented robust resource management plans to deal with peaks in the workload
- c. The expenditure for the two areas has remained static for the contract period of 3+1 years and we believe costs will stay constant throughout the proposed extension period. The current spend for the first 2 years (11/08/2011 to 11/08/2013) is £700,000; this is slightly lower than the contract cost breakdown of £2,000,000.
- d. There have been improvements and innovation since the start of the contract, one survey companies has implemented electronic table surveys

that speed up the process and with the Housing Leeds updated asbestos data base being made operational in the near future this will speed up the service and reduce turnaround times. It will also make a benchmark for the next contract for others to follow and can potentially reduce the cost incurred for the surveys. Both organisations have worked in conjunction with Environment & Housing to implement summary survey reports which has resulted in improving turnaround times on all work types. These interim surveys have been produced at no additional cost to the authority.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The following officers/departments were consulted during the process:

Asset Directors – Housing Leeds

Head of Strategy and Investment

Head of Maintenance Operations

Procurement Officers – PPPU

Construction Health & Safety Manager – Housing Leeds

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Equality and diversity does not apply in this instance as the issue is in relation to extending a current contract of specialist contractors to carry out asbestos surveys.

4.3 Council policies and City Priorities

4.3.1 LCC may experience non-compliance if the extension to the existing contract is not approved. The Council Policies that are in place state asbestos surveys must be undertaken to comply with the requirements of the Control Asbestos Regulations 2012 legislation. Asbestos surveys must be carried out prior to any refurbishment works and responsive maintenance works.

4.4 Resources and value for money

4.4.1 It was reported in the Housing Contracts Board Meeting of December 2013 that Civic Enterprise Leeds had confirmed that they were unable to undertake the works for the Old ALMO areas until possibly July 2015.

4.4.2 VFM has being maintained, as the cost for the service has not increased since the start of the contract (3 years) which effectively gives in real terms a 12% reduction in costs over the 3 year contract, this equates to a cost saving of £138,696.36. Environtec and McHale have increased productivity and adopted a partnering ethos that benefits the Council. In areas where we have requested a change to the process the External Service Providers have adopt those changes with no extra cost even when it has increased their back office function. The uploading of reports into PS Team was a function the asbestos team carried out that was very time consuming so we requested that Environtec and McHale carry out this function to speed up the process; this has now been successfully implemented. This has also reduced overall costs to authority due to reduced admin involvement by our in-house Asbestos Team. The cost of a procurement exercise would have to be considered if the contract was not extended.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Currently LCC, Environment & Housing is complying with Control Asbestos Regulations 2012 (CAR2012), mainly Regulation 4, Duty to manage asbestos in non-domestic premises (communal areas fall into this regulation).

4.5.2 If the proposed action is not approved LCC, Environment & Housing will be in breach of the Health and Safety at Work Act (1974) and the Control of Asbestos Regulations (2012).

4.6 Risk Management

4.6.1 The contract will be managed and monitored regularly by service area representatives to ensure the existing performance standards are maintained.

5 Conclusions

5.1 It is proposed that the issues stated in section 3 will be met by agreeing with the recommendation in section 6.1. The current service has demonstrated value for money, meeting performance standards and has also delivered innovations as outlined in 4.1.1

6 Recommendations

6.1 The Decision Panel is asked to note the contents of this report and it is recommended that the existing contracts for the old ALMO areas of West North West Homes and Aire Valley Homes with Environtec and McHale be extended in line with available contract provision until July 2015.

7 Background documents¹

Report for agenda item 10. Housing Contracts Board held December 2013

Meeting Minutes Housing Contracts Board held December 2013

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.