

Report of: Head of Property – Belle Isle TMO

Report to: Director of Environment and Neighbourhoods

Date: 27th April 2015

Subject: Procurement for the Installation of External Wall Insulation within the Belle Isle Tenant Management area under the Leeds City Region Green Deal & Eco Project Framework

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Middleton Park	<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. A procurement call-off from an existing framework contract is required to provide a suitable contractor to deliver the proposed External Wall Insulation scheme included in the Belle Isle TMO 2015-2016 Capital Budget Plan. This contract will need to commence in June 2015 to allow sufficient time to deliver the required work to 91 social housing dwellings and offer similar high quality and good value subsidised energy efficiency improvements to private residents within the scheme boundary.
2. This proposal is recommended by Belle Isle TMO and Leeds City Council Public Private Partnerships & Procurement Unit following the determination of priority areas for capital investment in the financial year 2015-2016 by the Belle Isle Tenant Management Board¹ and subsequently formally approved on 8th April 2015.

Recommendations

3. That the key decision, regarding this procurement exercise, is made in line with the provisions of CPR 3.1.8 without due delay. This is because of the protracted time required to engage private households and secure green deal and eco funding which has been severely curtailed by Central Government limits on funds available.

¹ Belle Isle Tenant Management Board – comprising of elected tenants and co-opted Councillors

1 Purpose of this report

- 1.1 This report seeks approval to conduct a procurement exercise which will adhere to the contract procedure process and allow Belle Isle TMO to engage a contractor for the installation of external wall insulation to 91 'hard to heat' Laing Easi-Form no fines system built dwellings managed and maintained by the Belle Isle TMO.

2 Background information

- 2.1 Belle Isle TMO have been engaged to manage and maintain approximately 1895 council dwellings on behalf of Leeds City Council in the Belle Isle area of the City.
- 2.2 During the determination of priority areas of investment in the housing stock, the Belle Isle TMO recognised that 91 dwellings constructed of no-fines concrete were hard to heat and as a consequence the residents were penalised with comparatively higher fuel bills. It was agreed by the Belle Isle TMO full board to utilise both reserve monies and a proportion of the 2015-2016 capital investment budget to utilise the LCC nominated Green Deal provider to undertake a scheme to provide external wall insulation to these dwellings. A total budget of £840,000 has been allocated.
- 2.3 The Belle Isle TMO board agreed the provider would be encouraged to engage with the private residents to offer similar subsidised energy efficiency improvements directly with them under the terms of the framework agreement.
- 2.4 In January 2015 Better Homes Yorkshire consortium was named the main contractor for the Leeds City Region Green Deal Eco Project. The project aim was to establish a long-term partnership with a leading Green Deal Provider in order to offer high quality and good value energy efficiency improvements to residents (private and social)

3 Main issues

- 3.1 The time available for the appointed provider to engage with the private residents and complete the capital scheme within the 2015-2016 financial year before the winter months requires that the call-off is undertaken without undue delay subject to the tendered cost being within the allocated budget.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation has been undertaken with the Leeds City Council Public Private Partnerships & Procurement Unit to confirm that the use of the call-off facility provided in the Leeds City Region Green Deal & Eco Project Framework for energy efficiency work to social housing was the appropriate procurement route to follow.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An Equality, & Diversity / Cohesion & Integration screening exercise was carried out for the Leeds City Region Green Deal & Eco Project Framework.

4.3 Council policies and City Priorities

4.3.1 Under Clause 3.1.7 of the LCC Contract Procedure Rules 'the Authorised Officer will ascertain whether there is an LCC Approved Framework Agreement in place that can be used and will use such arrangements if so.'

4.3.2 Under Clause 3.1.8 of the LCC Contract Procedure Rules 'decisions to place a call-off under a framework agreement will not be treated as a consequential decision. A delegated decision based on the value and impact of the procurement will be taken both at the point that a procurement route for a framework agreement is chosen and for each call-off.'

4.4 Resources and value for money

4.4.3 An initial scoping document provided by the Leeds City Region Green Deal Eco Project provider indicates that the estimated budget will be adequate to complete the scheme.

4.4.4 Clause 2.3.1 of the specification for the Leeds City Region Green Deal Eco Project states 'The Provider shall endeavour to use ECO subsidies ensuring Value for Money for customers, and that the ECO rates used are benchmarked to make sure they are competitive in the marketplace, ensuring LCR residents receive a competitive deal.'

4.4.5 Clause 3.4.4 of the specification for the Leeds City Region Green Deal Eco Project states 'All proposals made to the customer shall be developed to ensure best value for money and maximise benefit to the customer.'

4.5 Legal Implications, Access to Information and Call In

4.5.1 The recommendations within this report constitute a Key Decision primarily due to the fact that the value of the contract to be delivered, as a result of the procurement exercise, exceeds 250K per annum.

4.6 Risk Management

4.6.1 The Housing Contracts Board currently provides the overview of risk management associated with contract management and procurement projects within the confines of the Environments and Neighbourhoods remit and therefore oversee this project

5 Conclusions

5.1 The proposal for this procurement and subsequent delivery of the contract has been discussed between both Belle Isle TMO representatives and Leeds City Council Public Private Partnerships & Procurement Unit with a common agreement that it should move forward for recommendation without delay

6 Recommendations

- 6.1 Approval is sought to approve this proposal to agree to utilise the green deal framework to provide these requirement in line with the provisions of CPR 3.1.8 In order to commence without further delay due to the protracted time to engage private households and secure green deal and eco funding which has been severely curtailed by the limit set by Central Government on funds available and timed release of this funding.

7 Background documents²

- 7.1 None.

² 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.