

Report of Head of Housing Partnerships & Housing Growth

Report to Director of Environment & Housing

Date: July 2015

Subject: Request for the waiver of CPRs 8.1 and 8.2 and award a contract to Renew

Are specific electoral wards affected? If relevant, name(s) of ward(s): All	<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 type="checkbox"/> Yes	<input checked="" 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

- Leeds City Council wish to commission Renew, until 31st March 2016, to provide a range of strategic and operational support services including:
 - Strategic research
 - Completion of Housing Market Assessments (HMA) and analysis
 - Research, advice and intelligence work requested by Leeds City Council
- From previous partnership working experience with Renew, the organisation has specialist skills, expertise and local knowledge to be able to deliver the services outlined above within given timescales.
- In order to formalise this, Contract Procedure Rules 8.1 and 8.2 are requested to be waived to put in place a contract between the Council and Renew.
- This arrangement will be for a 12 month period only and it is understood that Renew may not exist in its current format beyond 2015/16. Regardless of any changes to Renew as an organisation, a formal procurement plan will be developed and a competitive tendering process will be completed for this service in the future.

Recommendations

- The Director of Environment & Housing is recommended to approve the waiver of the following Contracts Procedure Rule(s):
Contracts procedure rules No 8.1 and 8.2 – Intermediate value procurements and award a contract to **Renew** for the sum of **£74,750**. The contract shall commence on the **1st April 2015** and expire on the **31st March 2016**.
- The Director of Environment and Housing is recommended to request that work commences to develop a procurement plan to enable a competitive tendering process to take place for this service for 2016/17.

1 Purpose of this report

- 1.1 The purpose of this report is to request a waiver of CPR 8.1 and 8.2 and award a contract to Renew for support services.
- 1.2 The report also outlines a proposed work programme to be delivered if the waiver is approved.

2 Background information

- 2.1 Renew was established in 1989, as Leeds Partnership Homes, by five local housing associations as the first and largest joint venture of its kind in the country. re'new are classified a third sector organisation and are a registered charity.
- 2.2 Leeds City Council has been working in partnership with Renew for a number of years on many large scale regeneration initiatives and master plans; Renew have significant experience and expertise in developing and supporting housing and regeneration activities.
- 2.3 Over a number of years, Renew have had experience of developing local Housing Market Assessments and undertaking a range of research and intelligence gathering activities. Therefore, it is felt that they are best placed to be commissioned to undertake such a portfolio of work for Leeds City Council over the next 12 months.

3 Main issues

3.1 Request for contracts procedure rules waiver to award a contract to Renew

- 3.1.1 A request is being submitted to waive CPRs 8.1 and 8.2 in order to award a contract to Renew to provide a range of strategic and operational support services. As highlighted above, Renew have significant experience and expertise in this particular area of work.
- 3.1.2 Renew have built up a good working relationship with various services across the Council over many years and this will prove valuable in order to assist with the delivery of effective support, advice and facilitation on a wide range of housing and regeneration related topics.
- 3.1.3 At present, and likely to be the case in future, there isn't sufficient capacity or expertise within existing Council resources to be able to deliver this type of research or provide the level of strategic support required. Therefore, the additional specialist resource is needed to deliver this work in support of the Council's strategic housing role.
- 3.1.4 To ensure that there are specific targets to monitor against delivery, a contract will be produced outlining a work programme for the 2015/16 financial year. In order to deliver all the activities which the Council requires support with, it is suggested that Renew are commissioned to deliver the following programme of work:
- Production of Housing Market Assessments and analysis
 - Research work to support ongoing housing stock reviews
 - Advice and intelligence provision on behalf of strategic forums
- 3.1.5 The HMA methodology is to be reviewed in order to develop a set of guiding principles for the development of HMAs. It is then intended for the Council to adopt these principles and share with Developers to try and promote a consistent approach to the development of HMAs.
- 3.1.6 The HMAs support the Core Strategy and Site Allocations process by presenting an up to date evidence base of the housing stock profile, characteristics of the local population and the local housing

market within a neighbourhood or other defined geography, including any challenges faced. The HMAs will inform the future development needs of localities and also assist with marketing of sites for specific purposes i.e. specialist or family accommodation.

3.1.7 A suggested programme of HMAs that would be undertaken is as follows:

- Chapeltown Harehills Seacroft
- Gipton Beckhills Cross Green / East End Park / Richmond Hill
- Burmantofts Middleton Hyde Park / Headingley / Woodhouse
- Halton Moor Holbeck Holbeck Urban Village
- Neighbourhood Plan HMAs Pudsey, Collingham, Calverley and Farsley

3.1.8 If the waiver is agreed, a contract will be produced with the Public Private Partnership Unit and monitored by the Housing Growth Team. Quarterly monitoring meetings will be scheduled and feedback will be requested from Housing Leeds regarding the performance of Renew on the work which has been delivered for this service area.

3.2 Consequences if the proposed action is not approved

3.2.1 If the waiver is not approved, then this could have a significant impact on the delivery of the strategic housing function of the Council. As indicated, there is no resource or capacity within existing Council services to be able to undertake this programme of work.

3.2.2 One of the most significant impacts is that Leeds City Council would not have a clear evidence base, which the HMAs provide, to make key strategic decisions on the provision of housing type and tenure mix on Council sites which are developed through the Council House Growth Programme, Registered Providers or other sectors on public and private land. The information which the HMAs provide are a key component in the assessment or proposals and decision making process. This activity links directly to the Best Council Plan priorities of promoting sustainable and inclusive economic growth, supporting communities and tackling poverty and delivering the better lives programme, alongside supporting the delivery of two breakthrough projects - housing growth and jobs for young people and making Leeds the best place to grow old.

3.2.4 There is identified budget provision to cover the figure outlined above but if the contract did have to go through the procurement route, then this could have an impact on funding allocations in terms of increased costs of the contract and staffing resources required to facilitate this process in such a short timescale.

3.3 Advertising

3.3.1 There has been no advertising undertaken to promote the opportunity of a contract to deliver strategic and operational support services. This is due to the time constraints which the Council is under to deliver the activities outlined above. The strategic and operational support services outlined above needs to be put in place as soon as possible in order to deliver key pieces of work to supporting the achievement of Best Council Plan priorities. The Council is aware that Renew has the capacity within their service to deliver this activity from 1st April 2015.

3.4 Future Approach

3.4.1 There will be a continued need for this important support work to the development of strategic housing work in the Council. Following discussions with Renew, it is evident that they will be undergoing some significant organizational change during 2015/16. It is also likely that at the end of that Renew as it is today may not exist but that a new organization will take its place.

3.4.2 Following discussions with the Projects, Programmes and Procurement Unit (PPPU) it has been agreed that the work within this SLA should be subject to formal procurement in future years. Therefore, officers from Environmental Health and Housing will work with officers from PPPU to develop a procurement framework and carry out a procurement exercise before the award of any future contracts.

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 Consultation on proposed waiver has been undertaken with the Executive Member for Communities.

4.2 Equality diversity / cohesion and integration

4.2.1 The Equality and Diversity/Cohesion and Integration screening documents has been completed to ensure due regard to equality issues.

4.2.2 Equality, diversity, cohesion and integration will be considered as part of the research undertaken by re'new. The research, particularly the Housing Market Assessment work, will be looking at communities needs and aspirations to inform future housing market interventions. The HMAs will review data on housing market characteristics, housing supply and demand as well as demographic and socio economic data.

4.3 Council policies and the Best Council Plan

4.3.1 The support provided by Renew contributes towards the following Best Council Plan 2015-20 priorities:

- Supporting communities and tackling poverty
- Promoting sustainable and inclusive economic growth
- Delivering the better lives programme

4.3.2 The support services delivered will also contribute towards the following breakthrough projects:

- Housing growth and jobs for young people
- Making Leeds the best place to grow old

4.4 Resources and value for money

4.4.1 Renew is being requested to undertake this work as there isn't the resource or capacity to deliver the programme within the proposed contract. Renew has a wealth of experience in this particular field and the product delivered to LCC has been of a high quality.

4.4.2 Funding to cover the cost of work being delivered through the provision of a contract has been identified from the Environment & Housing administered HRA and City Development. The cost of the work will be split 50/50 between the two Directorates.

4.4.3 As highlighted above, a competitive procurement process will be undertaken to award a contract for future programmes of work to support the Council's strategic housing role.

4.5 Legal implications, access to information and call in

4.5.1 This is a significant operational decision and the content of this report is not exempt or confidential under the Access to Information Procedure Rules.

4.5.32 The recommendations outlined within this report are a Significant Operational decision and is therefore not subject to Call In. Awarding a contract directly to re'new in this way could potentially leave the Council open to a potential claim from other providers, to whom this contract could be of interest that it has not been wholly transparent as the opportunity is not being advertised and at least three written tenders invited.

- 4.5.3 Case law suggests that the Council should consider whether contracts of this value should be subject to a degree of European wide advertising. It is up to the Council to decide what degree of advertising is appropriate but consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.
- 4.5.4 The Director of Environment & Housing has considered this and, due to the nature of the services being delivered and the services to be performed is specific to Leeds requiring substantial knowledge of the particular housing issues facing Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to contractors in other EU member states
- 4.5.5 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.6 Although there is no overriding legal obstacle preventing the waiver of CPR 8.1 & 8.2, the above comments should be noted by the Director of Environment & Housing in making the final decision as to whether the award of this contract and be satisfied that to do so represents best value for the Council.

4.6 Risk management

- 4.6.1 As highlighted above, a number of factors have been taken into consideration when putting forward this request to waive the CPRs. The risks assessed are as follows:
- Impact on delivery of Council Priorities – as highlighted above, the information and support provided through a contract to re'new will contribute towards Best Council Plan priorities and the delivery breakthrough projects.
 - Resources – if this contract is not issued to Renew, the Council will be unlikely to be able to fully deliver its key strategic housing responsibilities, which may have wider impacts on the Council's ambitions.
 - Expertise and experience – it is acknowledged that we don't have the expertise or experience to be able to undertake the range of work outlined above.

5 Conclusions

- 5.1 The appointment of Renew will continue to provide high quality support to the Council's strategic housing responsibility. The services provided by Renew will support the delivery of Council priorities, particularly around promoting sustainable and inclusive economic growth, and ensure that an independent view is provided in support of shaping future large scale housing and regeneration developments.
- 5.2 Renew are likely to be undergoing significant organisational change during 2015/16 and this combined with the need to have a formal procurement exercise for any contract for 2016/17 will necessitate a change of approach to the arrangements from April 2016. Consequently a procurement framework will be developed during 2015/16 to enable a formal procurement exercise to be carried out for this work prior to any contract award for 2016/17.

6 Recommendations

- 6.1 The Director of Environment & Housing is recommended to approve the waiver of the following Contracts Procedure Rule(s):

Contracts procedure rules No 8.1 and 8.2 – Intermediate value procurements and award a contract to **Renew** for the sum of **£74,750**. The contract shall commence on the **1st April 2015** and expire on the **31st March 2016**.

6.2 Approve work to commence to develop a procurement plan for a competitive tendering process.

7 Background documents

7.1 Appendix 1 – Equality, Diversity, Cohesion and Integration screening document