

Report of Head of Housing contracts

Report to Chief Officer: Property and Contracts

Date: 13 July 2015

Subject: Novation of Framework Agreement from Procure Plus Holdings Ltd to Re:alleis Works Ltd

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<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

1. Leeds city council has a sub licence Agreement with Procure Plus Ltd to provide materials for two services:
2. Domestic heating materials: supplied by PTS Ltd
3. Managed Stores Framework: supplied by Wolseley Integrated Services Ltd
4. The management of these services are being transferred from Procure Plus Holding Ltd to Reallies Works Ltd. As a result the council has been requested to sign a novation of its sub licence to enable such a change. Other than the novation signature, there is no cost or risk to Leeds. The operation of the service will continue seamlessly.

Recommendations

5. That the Chief Officer: Property and Contracts approves the novation of the Leeds City Council Framework with Procure Plus Holdings Ltd to Re:allies Works Ltd with effect from 6 July 2015.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Chief Officer: Property and Contracts to novate the current sub licence for the Framework Agreement with Leeds City Council (“the Council”) from Procure Plus Holdings Ltd to Re: Allies Works Ltd

2 Background information

- 2.1 Procure Plus Holding Ltd currently provide the council through a Framework Agreement for the supply and distribution of external/internal materials with services for:
 - 2.1.1 Domestic heating materials: currently provided by PTS Ltd
 - 2.1.2 Managed stores currently supplied by Wolseley Integrated Services Ltd
- 2.2 Through its membership of Efficiency North Ltd, the Council is able access the above services to provide value for money procurements.
- 2.3 Re:allies Works Limited is a strategic collaboration of housing consortia that provide purchasing consortium facilities for social housing developments and registered providers across the UK. It brings together experience of building, regenerating and managing sustainable homes and environments, while offering a significant opportunity for social housing consortia to share best practice, undertake joint sourcing, promote schemes designed to improve local employment and reduce negative environmental impact.
- 2.4 Due to the growing membership and, in order to strengthen the partnership, Procure Plus Holdings Limited have advised the Council that the framework agreement will now be novated from Procure Plus Holdings Ltd to Re:allies Works Ltd. As a result of the novation of the framework agreement, all licences and sub-licences agreed under the current framework agreements will also need to be novated.

3 Main issues

- 3.1 The sub licence is required to enable Leeds to continue to receive the services through the Framework
- 3.2 The novation of the agreement between Procure Plus Holdings and Re:allies works Ltd does not impact upon the expiry date of the Framework Agreement.
- 3.3 As a result of the novation, there will be no change to the way in which the Council places orders under the framework agreement and there will be no impact on any existing contracts that the Council has entered into. Apart from the name change, there is no material difference in the agreement for licensees or sub licensees.

4 Corporate Considerations

- 4.1 **Consultation and Engagement**

4.1.2 Consultation has been undertaken with the Projects, Programmes & Procurement Unit (PPPU). The service teams have been informed of this proposed novation.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The Equality, Diversity, Cohesion and Integration Screening (ECDI) document has been completed and there are no specific implications with respect to the procurement strategy (attached in appendix 1).

4.3 Council policies and the Best Council Plan

4.3.1 The provision of services to assist the asset management of the Councils housing stock fits in with the Vision for Leeds 2011 – 2030, specifically the 'Best city... to live' objectives which state that "Leeds will be a great place to live with good housing..." where "houses to rent and buy will meet the needs of people at different stages of their lives" and "local people benefit from regeneration investment". These services also links to the City Priority Plan 2011 – 2015 which aims to "increase the number of properties with improved energy efficiency measures", and "increase the number of properties which achieve the decency standard".

4.4 Resources and value for money

4.4.1 The novation of the Framework Agreement will not incur any charges for the Council other than Officer time.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The Commercial Team in PPPU have reviewed the novation agreement and have no issues with it.

4.5.2 This is a Significant Operational Decision. The authority to procure the two services provided by Procure Plus Holding Ltd were sought though a Key decision.

4.5.3 The report does not contain confidential or exempt information and is not subject to call-in.

4.6 Risk Management

4.6.1 There are no risk foreseen to the Council in approving novation of the contract.

5 Conclusions

5.1 Procure Plus has requested the Council novate its Framework Agreement to Re:allies Works Ltd. The Commercial Team in PPPU have reviewed the novation agreement and have no issues with it

6 Recommendations

6.1 That the Chief Officer: Property and Contracts approves the novation of the Leeds City Council Framework with Procure Plus Holdings Ltd to Re:allies Works Ltd with effect from 6 July 2015.

7 Background documents¹

- 7.1 31 October 2013: Procurement Plan for Domestic Heating Tender within Housing Leeds Delegated Decision Report (<http://livent200/ieDecisionDetails.aspx?ID=40547>)
- 7.2 15 August 2014: Construction Services Managed Stores Delegated Decision Report (<http://livent200/ieDecisionDetails.aspx?ID=41489>)

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.