

Authority to Spend and to Call-off (Year 4) from the Re-Roofing and Associated Works Framework for 2024/25

Date: 27th February 2024

Report of: Head of Property Management

Report to: Director of Communities, Housing and Environment

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief Summary

- This report seeks approval to undertake a call-off from the Council's Re-Roofing and Associated Works Framework and to run a mini competition to appoint two contractors to deliver works in 2024/25 (Year 4) to the value of £3m (£1.5m per contractor).

Recommendations

The Director of Communities, Housing and Environment is requested to:

- a) Authorise expenditure of £3.0m from the Housing Revenue Account (HRA).
- b) Approve the call off from the Re-roofing and Associated Works Framework 2024/25 (Year four) based on a price only mini competition to appoint two contractors to carry out works to an approximate value of £3m (£1.5m per contractor).

What is this report about?

- 1 The need to undertake re-roofing works to housing stock is considered necessary under the Council's repairs obligations to its tenants.
- 2 The programme for the Re-Roofing and Associated Works Framework for 2024-25 is part of the Housing Capital programme.
- 3 A Key Decision was taken by the Director of Resources and Housing in July 2020 to approve the procurement strategy for the original 4-year framework and the overall scope and budgets for contracts to deliver planned investment to Council housing stock. To take forward works from year two onwards, a subsequent Key Decision to call off from the framework is required. This complies with the requirements of Contracts Procedure Rule (CPR) 3.1.7.
- 4 The selection process for year one (2021/22 spend) under the framework specified that the contractors who scored 1st and 2nd as part of the competitive procurement activity for the framework would be appointed to carry out the works.

- 5 For years two to four (2022/23 to 2024/25) of the framework, all four contractors were to be invited to tender in competition, with the two lowest priced tenderers being appointed contracts for those years. It is worth noting that there was no call off in Year 3 of the framework due to competing budget priorities, however all framework contractors were notified of this with no issues arising.
- 6 Following the call-off process in competition, the contract award will be the subject of a separate report that will be a Significant Operational Decision.

What impact will this proposal have?

- 7 The approval of this report will add significant value to many of our residents across the city and will support the upgrade and modernisation of their homes.
- 8 An EDCI screening was carried out for these works and can be found in the key decision (see background documents). There are no equality, diversity, cohesion, and integration issues related specifically to the framework call-off for Re-Roofing and Associated Works.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 9 Investment in these works and the resulting activity contributes to all the Council's 3 Key Pillars as follows:
 - The programme will improve the living environments of our residents which will help towards our health and wellbeing target of reducing health inequalities and improving the health and wellbeing of our tenants.
 - The proposed re-roofing programme will have a positive impact on the climate emergency as loft insulation is improved or installed as part of all new roof replacements. This will help to reduce carbon emissions and make properties more energy efficient.
 - All materials used on the re-roofing scheme are locally resourced, helping reduce the environmental impact of emissions from the sourcing and transportation of materials.
 - Social Value Themes, Outcomes and Measures will be sent to the contractors, and they will provide a social value bid as part of this scheme which will be evaluated and monitored throughout the contract period by the Social Value team. This will contribute to inclusive growth.

What consultation and engagement has taken place?

Wards affected: City Wide

Have ward members been consulted? Yes No

- 10 Procurement and Commercial Services (PACS) and PACS Legal have been consulted in the development of this report.
- 11 The Strategy and Investment team will ensure full engagement with tenants throughout the period of re-roofing contract.
- 12 Leaseholder engagement will take place in accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended by Section 151 of the Commonhold and Leasehold Reform Act 2002).

What are the resource implications?

- 13 The call-off from this framework will be carried out in an open and transparent manner in line with the Council's CPRs. It will ensure that competition is sought to identify best value.
- 14 The resources for delivery of these capital works are from within the HRA and authority to spend is sought as part of this report.
- 15 To also achieve high quality works, the contractors will be required to comply with the technical requirements of the framework agreement.
- 16 The framework agreement is in place until 31st March 2025. This will ensure that the Council continues to achieve value for money for these works. Further information can be found in the background documents.

What are the key risks and how are they being managed?

- 17 A risk register has been produced for the 2024/25 call-off. The project team will continue to monitor any identified risks and consider any new risks moving forward through contract award and mobilisation.
- 18 Notable Risks include:
 - **Health & Safety** – All work will continue to be carried out in line with government guidelines and site risk assessments.
 - **Housing ICT System** – The Civica system is now operational and Housing ICT Project staff will continue to work with Housing Leeds officers and contractors to train on the functionality of the new system where appropriate.
 - **Financial vetting** – This was undertaken as part of the initial framework procurement; however, further financial vetting will continue to be undertaken and monitored throughout the framework term to ensure all contractors have the required financial standings, mitigating the risk of encountering financial challenges.

What are the legal implications?

- 19 Each year's work for each contractor requires a separate contract award in line with the framework terms. A Key Decision is required for years two to four to seek approval to call-off from the framework. Consequently, this report is a Key Decision and is subject to call in. The decision was published on the List of Forthcoming Key Decisions on 2nd January 2024 and call in expired on 31st January 2024.
- 20 A contract management plan will be in place for each successful contractor and will provide clear roles, responsibilities, and regular review points during the life of the framework agreement.
- 21 The framework agreement has been setup in accordance with the Council's CPRs and the Public Contracts Regulations 2015, therefore any subsequent call-off contract will be compliant in terms of the requirements of the procurement regulations.

Options, timescales and measuring success

What other options were considered?

- 22 The alternative options were to:
 - Allocate the planned works for 2024/25 to the Council's internal service provider Leeds Building Services (LBS). The 2020 procurement key decision set out that LBS would deliver £1m of roofing works per year however they no longer have the internal resources to

undertake these works and the full value of work will now be delivered via the framework. To support the LBS growth strategy, they have been allocated an additional £1m of other work which they are resourced to deliver.

How will success be measured?

23 The programme directly contributes to the achievement of several of the key performance indicators which the Council will use to measure success including:

- a) Providing enough homes of a high standard by maintaining properties to the Leeds Homes Standard.
- b) Supporting economic growth and access to economic opportunities, employment and skills targets for contractors helps create training and employment opportunities in Leeds.
- c) Providing skills programmes and employment support – creating apprenticeships and other training and employment opportunities through our contracting activity.
- d) All tenderers were required to complete social value plans for evaluation, including employment and skills targets when the Re-Roofing and Associated Works Framework was originally tendered in 2021. Tenderers will also be submitting Social Value Themes, Outcomes and Measures as part of this procurement. The successful contractors for 2024/25 will be held to their social value commitments through contract management activity.

What is the timetable and who will be responsible for implementation?

24 The proposed timetable for the delivery of this arrangement is:

Task/Milestone	Date
Mini competition to all 4 contractors on framework	March 2024
Assessment and evaluation	Early April 2024
Contract awarded	April 2024
Contract start date	Early May 2024
Contract end date	31st March 2025

Appendices

- None

Background papers

- 1 [List of Forthcoming Key Decisions](#)
- 2 [D52029 - Reroofing Framework Authority to Procure - Key Decision Report & EDCI](#)
- 3 [D53998 - Reroofing Framework Contract Award](#)