

Report of Head of Democratic Services

Report to Scrutiny Board (Environment, Housing and Communities)

Date: 17 October 2019

Subject: Procurement of Housing Responsive Repairs and Voids Services for the West of Leeds.

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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

1. Purpose of this report

- 1.1 The paper entitled 'Procurement of Housing Responsive Repairs and Voids Services for the West of Leeds' will be considered by the Executive Board on 16 October 2019.
- 1.2 The paper is also being submitted to the Environment, Housing and Communities Scrutiny Board, alongside recent performance data, at the request of the Board's Chair. This reflects the Scrutiny Board's ongoing interest in the delivery of this service.

2. Background information

- 2.1 In 2018 The Environment, Housing and Communities Scrutiny Board established a working group to consider the contracted services provided by MEARS and Leeds Building Services. The working group considered the arrangements put into place following a procurement exercise in 2011.
- 2.2 In the South and West of the city current service delivery is through two contracts held by Mears Limited. These expire in March 2021 having been previously extended to contractual limits. The current cost is approximately £23.5m per year.
- 2.3 Leeds Building Services deliver the service in the East of the city at a cost of £18.4m per year to the HRA, of which £2m is a dividend to the General Fund.

3. Main issues

- 3.1 The Executive Board report seeks approval of the proposed strategy for service delivery from 2021. On the basis of the options appraisal detailed in the attached Executive Board report, the recommendation is for internal delivery of the service through LBS in the South and East of the city - representing an 83% growth in comparison with existing arrangements. This will be combined with a procurement process for external service provision in the West of the city.
- 3.2 The report concludes that this mixed model of future delivery will enable a quality service to be provided while limiting risks to the Council and residents.
- 3.3 The report sets out how ambitious growth plans for LBS will be achieved and also confirms the expectation that TUPE legislation would be expected to apply for all contractor staff who operate in the South. An explanation is also provided as to the procurement process for the external delivery of services in the West.
- 3.4 Performance data as at the end of August 2019 is also attached for the Board's information.

4. Equality and diversity / cohesion and integration

- 4.1 An Equality, Diversity, Cohesion and Integration screening and impact assessment has been included in the Executive Board pack – and is appended to this report.

5. Council policies and the Best Council Plan

- 5.1 The housing service contributes to the Best Council Plan ambitions and the percentage of council housing repairs completed within target are a Best City key indicator.

Climate Emergency

- 5.2 When considering areas of work, the Board is reminded that influencing climate change and sustainability should be a key area of focus.

6. Resources, procurement and value for money

- 6.1 Funding for the services discussed in the Executive Board report comes from the Housing Revenue Account (HRA). The current budget for the service is approximately £43m per year.

7. Legal implications, access to information, and call-in

- 7.1 This report has no specific legal implications.
- 7.2 The attached Executive Board report, however, asks Executive Board members to take a key decision, which is subject to call-in.

8. Risk management

- 8.1 This report has no specific risk management implications.

8.2 The Executive Board report details those risks associated with the project which are categorised as 'very high.'

9. Conclusions

9.1 The Scrutiny Board has a long standing interest in service delivery in this area. The attached Executive Board report sets out a future strategy for the service beyond the existing contract arrangements which end in 2021.

9.2 The report concludes that a mixed model of future delivery will enable a quality service to be provided while limiting risks to the Council and residents.

10. Recommendations

10.1 Members are asked to consider the matters outlined in this report and agree whether their own work schedule needs to be amended to include further updates as and when further information becomes available.

11. Background documents¹

11.1 None.

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.