

Report of Head of Strategy and Investment

Report to Director of Resources and Housing

Date: 22 September 2020

Subject: Approval to award a construction contract for a scheme of concrete repairs and external wall insulation at Roxby Close.

Are specific electoral wards affected? If yes, name(s) of ward(s): Burmantofts and Richmond Hill	<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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: 10.4 (3) Appendix number: 1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- As part of the council's plans to support communities, address fuel poverty and increase energy efficiency, works are planned for a scheme to undertake structural repairs and external wall insulation at Roxby Close high rise block. Other works within the scheme include re-roofing and communal rewiring and emergency lighting upgrades. A decision was taken by the Director of Resources and Housing in March 2020 to approve the procurement and provide authority to spend.
- In line with the agreed approach a tender process has taken place through the YORBuild2 Framework and this report seeks approval to the award of the contract to Engie Regeneration Limited.
- Roxby Close is in the Lincoln Green area of the city, and this scheme contributes to energy efficiency improvement activities in that area for which ECO3 funding has been identified.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- The scheme will contribute to the Best Council Plan outcomes of everyone living in good, quality affordable homes within clean and well cared for places; and for everyone to be safe and feel safe.

- This work is strongly aligned with the Best Council Plan Housing priorities and will meet the housing priority of improving energy performance in homes and reducing fuel poverty.

3. Resource Implications

- The total cost of the scheme is £2,014.3k, of which £1,400.0k will be funded by ECO3 funding and the remaining £614.3k by HRA. The majority of spend project will be in 2020/21 with a smaller element of spend in 2021/22.
- The scheme at Roxby Close is part of a wider activities in Lincoln Green which have received both European Regional Development Fund (ERDF) and ECO3 funding.
- The programme of activity is expected to commence in November 2020 running through to July 2021. Approval to spend £1,800.0k has already been sought, with an additional £214.3k required following changes to the initial scope of works. The additional expenditure will fall in the 2021/22 financial year and approval to spend is requested as part of this report.
- Due diligence has been undertaken in connection with the contractor recommended for the contract award.

Recommendations

The Director of Resources and Housing is requested to:

- a) Approve expenditure for an additional £214.3k to enable delivery of the full project
- b) Approve the award of a contract to Engie Regeneration Limited for a contract sum of £1,999.3k to deliver works including concrete repairs and external wall insulation at the high rise block Roxby Close.

1. Purpose of this report

- 1.1 The purpose of this report is to report the results of the tender evaluation process and to obtain approval from the Director of Resources and Housing to award the construction contract for this scheme to Engie Regeneration Limited for the sum of £1,999.3k.

2. Background information

- 2.1 Roxby Close is a high rise block within the Lincoln Green area in Leeds, a designated priority area for fuel poverty and unemployment. The block consists of 60 properties made up of one and two bedroom flats over ten storeys.
- 2.2 This scheme was created to address concrete works that need attention, as well as provide energy performance benefits to residents through installation of external wall insulation. The scope of the scheme also gives full consideration to the generational effect of the works.

2.3 A key decision was approved by the Director of Resources and Housing in March 2020 to approve the procurement of the scheme through the YORBuild2 framework, and to authorise expenditure from the capital programme.

3. Main issues

3.1 Following the approval of the procurement through the Yorbuild2 framework, Engie Regeneration Limited was the next supplier on rotation within lot 3 and were asked to tender.

3.2 The tender submission has been evaluated by the project team and attached as Appendix A, a confidential report on the tender submission prepared by the Leeds Housing Commercial team.

3.3 It is proposed that the works will commence on site in November 2020, lasting for 32 weeks with a planned completion by July 2021.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The key decision to deliver this scheme and to procure was approved in March 2020 by the Director of Resources and Housing.

4.1.2 Consultation has been undertaken with local Ward Members as well as Housing Management teams at Housing Leeds, all are fully engaged and supportive of the planned works.

4.1.3 Upon approval to this decision to contract award, local consultation and engagement will be undertaken with residents and ward members.

4.2 Equality and diversity / cohesion and integration

4.2.1 An Equality, Diversity, Cohesion and Integration (EDCI) screening and impact assessment was completed and published with the key decision report in March 2020.

4.2.2 It should be noted that the Lincoln Green area is the third most disadvantaged in Leeds, and also ethnically diverse. Though the project will have a positive impact on residents of the block, actions will be put in place to make sure that communication needs are taken into account by the contractor, and vulnerable people will be supported.

4.3 Council policies and the Best Council Plan

4.3.1 This work is strongly aligned with the Best Council Plan priorities, and our ambitions to:

- improve energy performance in homes, reducing fuel poverty.
- improve housing quality and standards and provide housing of the right quality and type.
- being responsive to local needs, building thriving, resilient communities.

4.4 Resources, procurement and value for money

4.4.1 A copy of the tender analysis is contained in confidential Appendix 1. In addition to the main contract costs of £1,999.3k there are technical advice consultancy fees of £15.0k, bringing the total cost of the scheme to £2,014.3k

4.4.2 Due diligence has been undertaken on the price to ensure that the contract values are realistic, sustainable, and offer value for money.

4.4.3 This scheme will be funded via ECO3 funding of £1,400.0k, with the remaining £614.3k from the Housing Revenue Account (HRA). The substantial spend on this project will be in the 2020/21 financial year, with further spend in 2021/22.

4.4.4 Authority to spend of £1,800k has already been approved. An additional £214.3k is required, which would bring the total authorised expenditure to £2,014.3k following some minor changes to the original scope of the project. This additional expenditure will fall into the 2021/22 financial year and funded from within the existing Housing Leeds Capital Programme.

4.4.5 Capital funding and cash flow table

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2020 £000's	FORECAST				
			2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024 on £000's
CONSTRUCTION (3)	1785.0		1273.0	512.0			
FURN & EQPT (5)	0.0						
INTERNAL DESIGN FEES (6)	0.0						
OTHER FEES / COSTS (7)	15.0		15.0				
TOTALS	1800.0	0.0	1288.0	512.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2020 £000's	FORECAST				
			2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024 on £000's
CONSTRUCTION (3)	214.3		214.3				
FURN & EQPT (5)	0.0						
INTERNAL DESIGN FEES (6)	0.0						
OTHER FEES / COSTS (7)	0.0						
TOTALS	214.3	0.0	0.0	214.3	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2020 £000's	FORECAST				
			2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024 on £000's
Housing Revenue Account	400.0		400.0				
ECO3	1400.0		888.0	512.0			
Total Funding	1800.0	0.0	1288.0	512.0	0.0	0.0	0.0
Balance / Shortfall =	-214.3	0.0	0.0	-214.3	0.0	0.0	0.0

4.5 Legal implications, access to information, and call-in

4.5.1 This report is a Significant Operational Decision and is not subject to call in. Other than the confidential appendix, there are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

4.6 Risk management

4.6.1 A risk register for the project is already in place and will continue to be managed to monitor and mitigate risks, as well as identify any new risks throughout the project.

4.6.2 Once the contract is in place the contractor will provide a risk register as part of the pre-works meeting and the council and the contractor will work together to monitor and review on a regular basis.

5. Conclusions

5.1 The procurement process undertaken has been undertaken in accordance with the Council's Contract Procedure Rules, with guidance and support from the Strategy & Investment team.

5.2 The award of this contract to Engie Regeneration Limited should enable works to start on site in November 2020, with the resulting benefits seen and works completed by July 2021.

5.3 This contract and its works will contribute to meeting climate emergency, improving energy efficiency and enhancing the quality of resident's homes.

5.4 The works are comparable to that delivered at the adjacent Shakespeares blocks which were delivered to a high standard with high levels of customer satisfaction by the same contractor and framework.

6. Recommendations

6.1 The Director of Resources and Housing is requested to:

- a) Approve expenditure for an additional £214.3k to enable delivery of the full project.
- b) Approve the award of a contract to Engie Regeneration Limited for a contract sum of £1,999.3k to deliver works including concrete repairs and external wall insulation at the high rise block Roxby Close.

7. Background documents¹

7.1 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.