

# Report Seeking Authority to Procure a new Contract for the Domestic Property Voids Backlog Work

Date: January 2022

Report of: Head of Property Management

Report to: Director Communities, Housing & Environment

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## What is this report about?

### Including how it contributes to the city's and council's ambitions

- This report seeks approval to procure a new contract to undertake the Voids Backlog work within Leeds City Council boundaries
- This arrangement is in addition to the responsive repairs and voids arrangements with both external and internal providers, to support Housing Leeds to re-let domestic properties which have been left empty following termination of the previous tenancy.
- It is anticipated that support in delivering this critical work will be required for 6 months, with the option to extend for a further 6 months, subject to mutual agreement based on performance and service demand.
- This will contribute towards the Best City priorities in that it will support the authority in ensuring that the housing stock will be of good quality, tenure and affordable in the right place and able to provide the right housing options to support older and vulnerable residents to remain active and independent.

## Recommendations

- a) The Director of Communities, Housing & Environment is recommended in line with Contract Procedure Rule 3.1.7 to approve a competitive procurement strategy to procure up to 4 contractors to undertake the backlog voids work in domestic properties for a period of 6 months with the option to extend for a further 6 months. The estimated value of this work is £1.5m for the initial 6 month period.

### Why is the proposal being put forward?

- 1 The purpose of this report is to gain approval in line with CPR 3.1.7 for the procurement of up to 4 contractors to undertake the backlog of voids work in domestic properties.
- 2 Due to the backlog of void properties brought about by the Covid-19 pandemic, our current contractors are taking longer to undertake the works and impacting on the Key Performance Indicator (KPI). It is taking longer for them to deliver the works increasing turnaround time, so we are unable to re-let the properties in a timely manner.
- 3 As a result of the increased timescales to undertake the work it has meant that there has been a decrease in the overall rental income which would be available.
- 4 The Council has identified a need to employ a number of contractors on a short-term basis to help reduce this backlog. This will have the knock-on effect of being able to re-let properties quicker and increasing the rental income.
- 5 A survey of the property is completed by the council and a schedule of works issued for each property detailing the works to be undertaken by the contractor.
- 6 The Council will only employ contractors who are able to undertake all the required works to the domestic voids.
- 7 The contractors will undertake various tasks as part of the contract such as but not limited to;
  - i. Clear out and disposal of items left by previous tenants both internally and externally
  - ii. Clean down the property to an acceptable standard
  - iii. Undertake any works within the building both internal and external
  - iv. Inspect & Test electrical installation and issue NICEIC Report
  - v. Clean and Wash down the property before reletting
  - vi. Carry out a separate final fix visit on the day new tenants move in.
- 8 It is anticipated that there will be approximately 10 properties per week with a costing of between £1,000 and £10,000 per property.

### What impact will this proposal have?

**Wards affected: All**

Have ward members been consulted?

Yes

No

- 9 The increase in the number of contractors on a short-term basis will ensure that the backlog of work in within the domestic void properties will decrease to Pre-Covid levels.
- 10 This will ensure that we have more properties available to re-let to tenants in need and increase the rental income for the council, meet the demand for council housing within the city and reduce the impact on other services such as Leeds Housing Options.

### What consultation and engagement has taken place?

- 11 The Property Management team and Leeds Building Services have been consulted throughout to determine their requirements will be met through this procurement

- 12 Early involvement of the teams has taken place and they have provided input into the pre-procurement works and will continue to be engaged with throughout the process.
- 13 Consultation with leaseholders is not required as there will be no cost implications.
- 14 The Executive Member for Housing and Deputy Executive Member for Housing has been consulted and are supportive of the approach.

### **What are the resource implications?**

- 15 It is anticipated that expenditure in relation to this work will be in the region of £1.5m The proposed contract will be for a period 6 months with the option to extend for a further 6 months.
- 16 It is proposed that a restricted competitive procurement process will be undertaken with a number of contractors from Constructionline being invited to submit a bid. The Procurement process will be undertaken in line with the Council's CPR's and Public Contracts Regulations 2015 to ensure fairness, transparency and the achievement of value for money.

### **What are the legal implications?**

- 17 The procurement will be undertaken in line with the Council's Contract Procedure Rules and the Public Contract Regulations 2015
- 18 This is a Key Decision and is eligible for call in. There are no grounds for keeping the contents of this report confidential under Access to Information Rules.

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

- 19 There is a risk if the council did nothing in that there would be an increase in the timescales to undertake any works on domestic void properties resulting in the reduction of rental income to the council, reduced ability to meet the demand for council housing properties and additional pressure on other council services.
- 20 There is a risk of a lack of interest from the market to bid for the works. In order to mitigate this, we have engaged with the market and will continue to do so during the procurement to gauge and encourage interest in the opportunity.
- 21 There is a risk that too few tenders are submitted for the opportunity. In order to mitigate this, we will ensure we are communicating regularly with invited contractors to ensure that we are encouraging the highest tender response possible.
- 22 Risk of procurement challenges will be present in any procurement that is undertaken. In order to manage this, a fully compliant and transparent restricted tender process will be conducted in line with the Contract Procedure Rules and the Public Contract Regulations to minimise the risk of a procurement challenge.
- 23 The risk of poor quality works and subsequently poor quality void handovers, will be mitigated by applying a 60% quality and 40% price approach to the evaluation assessment, this is consistent with other recent procurements for similar works.

### **Does this proposal support the council's three Key Pillars?**

Inclusive Growth       Health and Wellbeing       Climate Emergency

- 24 Social values Portal will be engaged throughout this procurement in order to assist with achieving various social value outcomes which will support Inclusive Growth

- 25 The proposed procurement process and resulting contract will support health and wellbeing as it will ensure we have domestic properties which are of good quality and affordable in the right places.
- 26 The procurement will support the Climate Emergency pillar through a number of quality questions required to be answered by bidders focussing on sustainability and the environment to ensure that the successful bidders chosen will help to tackle and reduce the impact on the environment.

## Options, timescales and measuring success

### What other options were considered?

- 27 The Council's s Internal Service Provider and external contractors are currently operating to maximum capacity and are unable to increase this capacity to meet the current demand. This procurement will not replace the existing providers, but introduce an additional, temporary capacity to reduce the backlog of void properties.
- 28 The Council looked at a number of frameworks however they did not fit the need or allow the authority to widen our network of contractors.
- 29 A restricted tender process through Constructionline was found to be the best option for this procurement. Using Constructionline will allow experienced contractors with the correct knowledge and experience to be approached and ultimately deliver the contract.

### How will success be measured?

- 30 The contract will be delivered under the framework of a robust contract management plan
- 31 KPI's will be in place which will be measured towards the success of the contract delivery

### What is the timetable for implementation?

- 32 The anticipated timetable is as follows:

Milestone	Date
Tender Out	End January 2022
Tender Return	End February 2022
Tender Evaluation	March 2022
Contract Award	End March 2022
Mobilisation	Early April 2022
Contract Start	Mid-end April 2022

## Appendices

- 33 [EDCI](#)

## Background papers

- 34 N/A