

Report seeking approval to implement the available extension of 49519 - Voids Backlog 2021-22

Date: August 2022

Report of: Housing Leeds Property Management

Report to: Director of Communities, Housing & Environments

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- This report is to seek the approval of the Director of Communities, Housing & Environment to extend the current 49519 – Voids Backlog 2021-22 contract for a further 6 months valued up to £1.5m.
- 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.
- The contract was originally procured and awarded in April 2022 for a 6-month period ending 2nd October 2022 with an option to extend the contract for a further 6 months under the same terms and conditions.
- The proposed contract extension will start on 3rd October 2022 for 6 months concluding 2nd April 2023 with one of the current contractors Kier Services Limited T/A Kier Places.
- It should be noted that Synergize Ltd have chosen to decline the opportunity for further extension, this has been mutually agreed, as such their contract will expire 30th September 2022.
- This extension will continue to contribute towards the Best City objectives 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

The Director of Communities, Housing & Environments is requested approve the recommendation to extend the current Voids Work in Domestic Properties contract for an additional 6 months for the period 3rd October 2022 to 2nd April 2023 with Kier Services Limited T/A Kier Places.

The current estimated spend for this 6-month extension will be up to £1.5m.

What is this report about?

- 1 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.
- 2 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.
- 3 The Council appointed 2 contractors on a short-term basis to help reduce this backlog. This has supported the authority in being able to re-let properties quicker and increasing the rental income.
- 4 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.
- 5 Kier Services Limited T/A Kier Places are able to undertake all the required works to the domestic void properties
- 6 The contractors will continue to undertake various tasks as part of the contract such as but not limited to:
 - a) Clear out and disposal of items left by previous tenants both internally and externally
 - b) Clean down the property to an acceptable standard
 - c) Undertake any works within the building both internal and external
 - d) Inspect & Test electrical installation and issue NICEIC Report
 - e) Clean and wash down the property before reletting
 - f) Carry out a separate final fix visit on the day new tenants move in
- 7 It is anticipated that there will be approximately 10 properties per week across all contractors with a costing of between £1,000 and £10,000 per property.

What impact will this proposal have?

- 8 The continuation of contracting with Kier on a short-term basis will ensure that the backlog of work within the domestic void properties will decrease to pre-Covid levels.
- 9 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.

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

Health and Wellbeing Inclusive Growth Zero Carbon

- 10 Social Value Portal (SVP) will be engaged throughout this procurement to assist with achieving various social value outcomes which will support Inclusive Growth.

- 11 The proposed contract extension will support health and wellbeing as it will ensure we have domestic properties which are of good quality and affordable in the right places.
- 12 All stakeholders are aware of the critical need to reduce our impact on the planet as per the declaration of the Climate Emergency by Leeds City Council, therefore the commitment from all suppliers in respect of this will continue to be embedded in the contract extension

What consultation and engagement has taken place?

Wards affected: all wards

Have ward members been consulted? Yes No

- 13 The property management team and Leeds Building Services have been consulted throughout to re-evaluate business needs and ensure their requirements will be met through this extension.
- 14 Consultation with leaseholders is not required as there will be no cost implications.

What are the resource implications?

- 15 It is anticipated that expenditure in relation to this extension will be in the region of £1.5m for a period of 6 months.
- 16 Kier have agreed to use the same pricing schedule over the extended period.
- 17 The current contract was established via a restricted competitive procurement process. This was 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 key risks and how are they being managed?

1. 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.
2. If we were not to extend the current contract the provision would still be required, and therefore non-contract spend values would increase.
3. Extending the contract will allow the current incumbents to carry on with their current work and allow the Voids Team, Leeds Building Services and Procurement an opportunity to re-evaluate the needs of the business and seek approval to the delivery of a new strategy in the future.
4. The risk of poor-quality works and subsequently poor-quality void handovers, has been and will be mitigated by:
 - a) Continuing to offer incentive methods as part of the Key Performance Indicator framework
 - b) Robust contract management, supported by implementation of a contract management plan alongside the KPI framework

What are the legal implications?

- 18 There are no specific legal implications arising from this report. All activities relating to the proposed contract have been executed strictly in accordance with the Councils Contract Procedure Rules.
- 19 Extending the contract is a direct consequence of key decision D54884 for the initial contract award taken on 25.1.22 and should be treated as a significant operational decision, as such is not eligible for call in.

Options, timescales and measuring success

What other options were considered?

- 20 The option not to extend and re-tender was considered but it was felt that the team need more time to re-evaluate the needs of the business and as the proposed contractor is meeting all the requirements of the contract it was best to extend the current contract giving more time for the re-tender as required.
- 21 The Council's s Internal Service Provider and external contractors delivering this work are both encountering capacity issues in house and throughout the supply chain, so are currently not able to support with reducing the backlog.
- 22 The Council had previously considered several frameworks however they did not fit the need or allow the authority to widen our network of contractors therefore the contract extension would be an idea short term solution

How will success be measured?

- 23 The existing Contract Management Plan which has been in place since the start of the contract in April 2022 will be used in the proposed extension period, ensuring contractors adhere to the required KPIs.
- 24 The contractor is meeting the current KPI for all works completed as laid down in the service information plan.
- 25 The Voids team regularly meet with the contractors to review these as well as deal with any ongoing issues. This will continue throughout the extended period

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

- 26 The implementation of this contract extension is sought so that it can be implemented well before the end of the current contract in early October 2022 ensuring provision remains in place through until April 2023

Appendices

- None

Background papers

- None