

Approval to Establish a Dynamic Approved List - Minor Improvement Works

Date: 5th December 2023

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

Housing Leeds Property Management are seeking approval to undertake activity to implement a dynamic approved list for Minor Improvement Works. This is to enable and provide emergency works associated with maintaining domestic properties in line with Contracts Procedure Rule (CPR) 25.2.

25.2. Subject to CPRs 3.1.4 and 3.1.5, where there is an urgent need to provide goods, works or services to meet statutory requirements which may otherwise result in a legal claim (e.g. housing disrepair) or out of hours emergencies (e.g. a water or gas leak), and where no commitment is given to any supplier beyond any single order placed from time to time, the Directorates may place individual orders up to a maximum of £25,000 with other selected suppliers from the relevant Directorate's approved supplier lists created by following the process set out in Appendix 3.

Minor Works include repairs to occupied homes and houses where tenants have been temporarily decanted due to the nature of the work. This may include works resulting from fire, flood, structural damage, and extensive damp. The estimated spend through the approved list for minor repairs is expected to be approximately £450,000 with the list being established for a 1-year period.

Due to the reactive and emergent nature, there are no guarantees of volume of works for suppliers added to the proposed approved list.

Recommendations

- a. The Director of Communities, Housing and Environment is requested to approve the use of CPR 25 to enable Housing Leeds to establish and maintain an approved list for minor improvement works to housing properties from February 2024 for a 1-year period with an annual estimated spend of £450,000.

What is this report about?

- 1 Housing Leeds have a need to undertake reactive works to their housing stock caused by fire, flood, structural damage and damp, to ensure that the properties are safe and secure for the tenants. Whilst most works are issued utilising an existing contract arrangement, there are occasions where existing contractors are unable to commit to deliver the works within the required timescales.
- 2 Establishing an approved list for Minor Improvement Works will support Housing Leeds in managing capacity across existing contractors together with ensuring value for money is achieved for emergency works that need to be undertaken from the approved list.

What impact will this proposal have?

- 3 Reduced off and non-contract spend is anticipated owing to the use of CPR 25 for emergency / urgent works, where existing contract base is unable to undertake the work.
- 4 Improved relationships within the wider local supply chain are anticipated, ensuring the process is streamlined to enable the local SME market to work with the Council.
- 5 Establishing an approved list will aid in ensuring better response times for emergency work and ensuring value for money by direct delivery by local SME rather than work being subcontracted with associated overheads by larger companies.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 6 Inclusive Growth – “Supporting growth and investment’ and ‘Supporting businesses and residents to improve skills, helping people into work and into better jobs”.
- 7 Safe, Strong Communities – “Keeping people safe from harm, protecting the most vulnerable’ and ‘Being responsive to local needs, building thriving, resilient communities”.
- 8 Housing – “Housing of the right quality, type, tenure and affordability in the right places’ and ‘Improving energy performance in homes, reducing fuel poverty”.

What consultation and engagement has taken place?

Wards affected: Morley North & South, Ardsley & Robin Hood, Middleton Park, Beeston & Holbeck, Hunslet & Riverside, Rothwell, Kippax & Methley, Garforth & Swillington, Temple Newsam, Burmantofts & Richmond Hill, Gipton & Harehills, Killingbeck & Seacroft, Cross Gates & Whinmoor, Chapel Allerton, Moortown, Roundhay, Alwoodley, Harewood and Wetherby.

Have ward members been consulted?

Yes

No

- 9 Procurement and Commercial Services (PACS) are engaged throughout, to ensure compliance with the Contracts Procedure Rules in relation to the delivery of emergency works.
- 10 Wide and ongoing consultation within the construction market will be undertaken, ensuring fair access to application for joining the approved list, at any time in its life. This includes meet the buyer sessions and seeking regular expressions of interest from local contractor.

What are the resource implications?

- 11 Resources from Construction & Housing Procurement team will be required and are available to implement and monitor suitability of contractors appointed to the approved lists.
- 12 The contractors that will be invited to tender have the specialist skill, technical expertise and the knowledge that will ensure that all works are completed in line with Health and Safety and Environmental considerations.

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

- 13 The main key risk is the delayed delivery of emergency work which could give rise to claims, by creating a dynamic approved list which companies can join at any time during its 1-year lifespan.
- 14 Another risk is the risk that not all the contractors on the list quote for each job e.g. a contractor has been unsuccessful in winning a job for multiple times in a row. Housing Leeds will regularly liaise with the contractors to ensure any issues are aired and resolved. If the contractor continues to struggle to be competitive, Housing Leeds will be able to seek and appoint further contractors at any time during the validity of the approved list.

What are the legal implications?

- 15 This approach is compliant with CPR 25.
- 16 Given the costs, this report is a Significant Operational Decision and is not eligible for call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 17 The procurement will be carried out in an open and transparent manner in line with the Council's Contract Procedure Rules, ensuring competition is sought to identify best value.
- 18 Due diligence checks of the contractors will be done prior to appointing them to the approved list to ascertain their financial position, check insurances, health & safety certificate, safeguarding policy, previous work history, etc. This will ensure we are contracting with a compliant organisation limiting the risk of works not being completed.

Options, timescales and measuring success

What other options were considered?

- 19 This provision is to be put in place in line with the emergency parameters under CPR 25.2 and therefore and accordingly will only be utilised as a procurement approach and delivery solution when and whereby existing contractor resources including Leeds Building Services' (as the Council's internal service provider for construction) have been approached and being unable to deliver the works due to other constraints such as timescale, resource availability, capacity etc given the emergency nature.

How will success be measured?

- 20 Success of the approved list will be identified through the number of SMEs joining the approved list, an improvement in response times to emergency work and improved value for money for this type of work.

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

21 It is anticipated that subject to market interest, the Minor Improvement Works approved list will go live in February 2024.

Appendices

- None

Background papers

- None