

Report title	Housing Procurement Update
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Department	Housing
Exempt?	No

Purpose of report:
For information

Synopsis of report:

The report outlines the procurement activities that have been undertaken, current programmes of works being delivered and procurements in process or to be completed within the next twelve months.

Committee Members to note the procurement activities within this report and the forward plan in relation to capital investments and the Housing Department’s methodology in procuring contracts.

1. Context and background of report

1.1 The purpose of this report is to provide information to Members on the procurement process for the Housing Revenue Account capital works programme. To ensure that we can continue to deliver high quality capital works replacements to tenants through the most effective legally compliant process.

2. Report

2.1 The Technical Services team uses several procurement methods to ensure that we gain the best outcome in a difficult and uncertain market. There are several procurement vehicles available to councils depending on the value of the contract and the timescale available to mobilise a new contract. Council Standing Orders determine the method depending on the value of the contract.

2.2 **Open tender** –contracts over £25,000. Procurement of a contract through an open market competition via the Council’s preferred procurement portal (In-Tend). This is a lengthy process with the larger contracts taking up to 8 months to prepare the documentation, publish and then evaluate detailed submissions. Tenders are evaluated on a scoring matrix of quality and price, the weighting of these to be decided by the type of contract.

2.3 **Framework** – A procurement framework, also known as a Framework Agreement, is an umbrella agreement put in place between a provider or range of providers that enables buyers to place orders for services, without facing the lengthy tendering process for each individual task. We use frameworks for specialist works as the market is often limited for providers most of which affiliated with a framework.

2.4 **Closed Tender** - contracts up to £25,000. Selected suppliers are invited to bid, and the suppliers are known and trusted by the Council due to past performance.

2.5 **Procurement activities**

2.6 The current capital works investment/procurement program has been progressing since 2021 and to achieve and maintain compliance with the current and any future Decent Homes Standard, as well as other landlord responsibilities there will be ongoing procurement requirements.

2.7 In 2023 we procured a multi-disciplinary building services consultancy (Arcus) who provide support with our planned investments programme as required, specification writing, tendering support and full project management.

2.8 A schedule of all the major contracts and future procurement requirements is at Appendix A.

3. **Policy framework implications**

3.1 The Housing Asset Management Plan outlines the workstreams required over 5 years to improve the HRA assets and achieve regulatory compliance including the risks associated with non-compliant procurement

3.2 The Housing Revenue Account 30-year Business Plan incorporates the costs for achieving the Decent Home Standard and carrying out compliance activity and cyclical maintenance for the HRA stock.

4 **Resource implications/Value for Money**

4.1 Within the HRA budget allocation for 2024/25 we have accounted for the above procurement activities and current packages of works. The total spend profile per financial year is circa £12 Million and this will continue at the same level for the next two years. It is anticipated that after 28/29 the level of investment will decrease, which is in line with the completion of the kitchen and bathrooms replacement works and new boiler installations.

4.2 Outside of the current budget allocation, there are no future plans to put forward additional capital growth items to ensure that we maintain our standards as set down by the Regulator for Social Housing and the regulatory obligations.

4.3 The current team is serviced by 1 Senior Contracts Manager, 3 surveyors and 1 Asset Support Officer

5. **Legal implications**

5.1 Runnymede Borough Council is a public body and is subject to the national legislation governing the procurement of goods, services and works. The Procurement Act 2023 establishes a new public procurement regime, creating a simpler and more transparent system that will deliver better value for money. Public procurement makes up around a third of public expenditure every year and contracting authorities must use the power of this spend to support the delivery of national policy priorities. Adopting common benchmarks and standards enables widespread sharing of best practice in public procurement. This cultivates a culture of continuous improvement, saving taxpayers' money and driving sustainable economic growth.

5.2 The Council will be reviewing its approach to procurement to ensure it aligns with the new systems introduced under the provisions of the Procurement Act 2023.

6. Equality implications

- 6.1 An Equalities Screening of the impact of work to upgrade our stock is done during each procurement process and is specifically linked to each activity.

7. Environmental/Sustainability/Biodiversity implications

- 7.1 A key aspect of the Asset Management Plan relates to reducing our carbon output and bringing properties to a minimum level of C as an energy rating.
- 7.2 The thermal efficiencies which will be gain from the upgrading of boilers, new windows and doors and the SHDF and ECO4 will contribute towards the Councils objectives to achieve this target by 2030.
- 7.3 The SHDF and ECO4 works have a project timeframe of two years and will address around 250 properties with the worst performing energy outputs. Once these works have been completed, officers will explore further grant funding to achieve improved EPC ratings across our stock.
- 7.4 By delivering a minimum of C energy efficiency rating for all Council owned homes it will reduce the carbon emissions from Council homes by 1078 tonnes per year from the position at the beginning of 2022.

8. Conclusions

- 8.1 Members are asked to note the future procurement activity required to achieve and maintain Decent Homes Compliance across the HRA stock.

9. Appendices

Appendix A Procurement Schedule