

Report title	Procurement – Award of Contracts for Works, Goods and Services	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Obaida Ahmed Resources and Digital	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Procurement	
Accountable employee	John Thompson	Head of Procurement
	Tel	01902 554503
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Report to be/has been considered by	Directorate Leadership Team	

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the Council entering into an Authorising Agreement with Dudley MBC for use of the Dudley MBC Housing Development Framework.
2. Delegate authority to the Cabinet Member for City Housing, in consultation with the Director of Resident Services to:
 - a. Approve the award of contracts for Housing Development – new build council homes and any amendments to the procurement procedure
 - b. Approve any other agreements including deed of covenants, collateral warranties, assignments, and such other ancillary agreements, including variations, as may be deemed necessary to facilitate the delivery of the six projects highlighted within this report.

1.0 Councillor Steve Evans, Cabinet Member for City Housing

1.1 Delegated Authority to Award a Contract – Housing Development – Affordable Homes

Ref no:	CWC23072
Council Plan aim	Good homes in well-connected neighbourhoods
Originating service	Resident Services
Accountable officer	Paul Beddard, Service Manager – Housing Development (New Build) (01902) 554894
Leadership Team approval	9 May 2023
Accountable Lead Cabinet Member	Cllr Steve Evans, Cabinet Member for City Housing 07771 836630
Date Lead Cabinet Member briefed	10 May 2023
Procurement advisor	Anna Du-Mont, Procurement Manager (01902) 551099

1.2 Background

- 1.3 City of Wolverhampton Council (CWC) wish to use the Dudley Metropolitan Borough Council (MBC) Framework Agreement to deliver new build council homes through the Housing Revenue Account (HRA) across a number of sites. The Framework can be accessed through an Authorising Agreement that CWC would need to sign up to, all Underlying Contracts are then “called off” under the terms of the Framework Agreement. This report seeks approval to enter an agreement with Dudley MBC and to delegate authority to award contracts via the Dudley Framework for development of new build council homes within Wolverhampton in the interim period, while CWC procure a bespoke housing development framework for future housing development projects.
- 1.4 The Dudley Framework is based on Lots and CWC would like to deliver some of or all the following projects through this framework: Ettingshall Road, Magic Gardens, Old Fallings Crescent, Reedham Gardens, Showell Circus and Villiers Avenue. The delivery would be through a direct award Provider, namely Jessup Partnerships, who are awarded to Lot 2 of the framework, Small Sites, which is a single-supplier lot.

- 1.5 The use of the Framework will allow us to deliver “more and better homes” to meet the local housing need on an improved timeline.

Proposed Contract Award	
Contract duration	2 years 6 months
Contract Commencement date	1 July 2023
Annual value	£8.0 million
Total value	£20.0 million

1.6 Procurement Process

- 1.7 The intended procurement procedure will be a framework direct award, using Lot 2 of Dudley MBC’s Housing Development Framework, in accordance with the Public Contract Regulations 2015 and the Council’s Contract Procedure Rules. This route to market is the most suitable at the present time to accelerate the delivery of these sites until such time the Council has developed its own Framework. The proposed contractor has carried out similar work within Wolverhampton.
- 1.8 Any amendments to the procurement procedure will be reported in an Individual Executive Decision Notice (IEDN) to the relevant Cabinet Member in consultation with the relevant Director in accordance with the delegation within this report.

1.9 Evaluation of alternative options

- 1.10 An alternative option would be to do nothing; however, this is not the preferred option as it would leave the sites undeveloped and hence unfit for purpose. This would also cause reputational damage to CWC, due to the importance of delivering new council homes to the community.
- 1.11 Other frameworks were also considered, however, due to the locality of the Dudley Framework and the suitability of the scope and terms to CWC’s requirements, utilising other frameworks may further delay these schemes. Similarly, individual open tenders were considered, however this would significantly delay the development of these sites which are already time-critical, and so this would not be the preferred option.
- 1.12 If the Council did not utilise this Framework, it would delay the development of these housing sites until such time CWC’s own Framework has been developed and approved. The sites would remain undeveloped, and the delivery of new build council housing delayed, reducing rental income. The delay to develop the sites could lead to additional costs to remove potential fly tipping from the sites until such time contractors were on site.

1.13 Reason for decisions

- 1.14 Dudley MBC Framework was set up to allow other local authorities to access the agreement. As an Official Journal of the European Union (OJEU) compliant tender at the time of appointment, this provides cost certainty at the base date. The Pricing Document that formed part of Dudley MBC's Framework will be used as a basis for the Council's contracts.
- 1.15 Utilising this Framework will allow CWC to work with an experienced contractor who has carried out similar work over the last eight years. There is also a strong emphasis on Social Value as part of the Framework that CWC would be looking to build on.
- 1.16 This route to market also allows CWC to deliver new build council homes quickly whilst we procure a framework that is bespoke to CWC.

1.17 Financial implications

- 1.18 Each of the proposed projects has an approved budget as part of the Housing Revenue Account (HRA) capital new build programme of £121.6 million. A known delivery route may allow CWC to engage with Homes England to explore any potential grant funding to support some of or all the projects and improve viability.
- 1.19 There will be a fee for use of the framework of 1% against each contract sum, however, this will be offset by savings of professional fees by the New Build team managing the projects in house in place of appointing additional Employers Agents or Quantity Surveyors.
- 1.20 The improved delivery timescales will bring forward completion of homes and generate rental income more quickly as well as potentially reduce pressure on temporary accommodation.
- 1.21 Each Underlying Contract, when agreed in principle, would be subject to a further approval as per the delegation.

1.22 Legal implications

- 1.23 The procurement will be a framework direct award in accordance with the Public Contract Regulations 2015 and CWC's Contract Procedure Rules.
- 1.24 This report will also approve the delegation of any other agreements including deed of covenants, collateral warranties, assignments and such other ancillary agreements, including variations as may be deemed necessary to facilitate the delivery of the six projects highlighted within this report to the Cabinet Member for City Housing in consultation with the Director of Resident Services, and authorise CWC to enter into an Authorising Agreement with Dudley MBC for use of the framework.

1.25 Equalities implications

1.26 An equalities impact assessment will be completed in conjunction with the equalities team. The development of these housing sites will bring forward new affordable homes to meet the needs of applicants on the housing waiting list including specialist and supported housing for vulnerable residents.

1.27 All other implications

1.28 The future redevelopment programme will bring forward newbuild homes that will meet all modern standards for sustainability and will help reduce carbon emissions in the city.

1.29 Recommendation

1.30 Cabinet (Resources) Panel is recommended to:

1. Approve CWC entering into an Authorising Agreement with Dudley MBC for use of the Dudley MBC Housing Development Framework.
2. Delegate authority to the Cabinet Member for City Housing in consultation with the Director of Resident Services to:
 - a. Approve the award of contracts for Housing Development – Affordable Homes and any amendments to the procurement procedure.
 - b. Approve any other agreements including deed of covenants, collateral warranties, assignments, and such other ancillary agreements, including variations, as may be deemed necessary to facilitate the delivery of the six projects highlighted within this report.

2.0 Financial implications

2.1 All financial implications are included within the relevant section of the report.
[RP/01062023/Q]

3.0 Legal implications

3.1 All legal implications are included within the relevant section of the report.
[SZ/01062023/P]

4.0 Equalities implications

4.1 The relevance to equalities and progress in terms of equality analysis will vary for each proposal included in this report. Accountable officers have and will ensure that evidence is collected and used to demonstrate compliance with CWC's legal obligations under the Equality Act 2010.

5.0 All other implications

5.1 All other implications are included within the relevant section of the report.

6.0 Schedule of background papers

6.1 All background papers are included within the relevant section of the report.