



Showcasing Excellence

Leeds City Council revolutionises procurement processes



In 2000 the Decent Homes Standard revolutionised the Government's plans for social housing. With all stock expected to meet set standards of decency by 2010, local authorities across the UK have had to react promptly. In November 2005, Leeds City Council formed the Leeds Homes Construction Partnership, bringing together twelve contractors, six Arms Length Management Organisations (ALMOs) and Belle Isle Tenant Management Organisation (BITMO) under a framework agreement that will be responsible for £450 million of spend on social housing. It is already making a significant impact.

Revolutionising Procurement

There are currently over 62,000 properties in Leeds, all of which will need to meet the Decent Homes Standard by 2010. Prior to the formation of the Construction Partnership, each ALMO separately procured projects through Leeds City Council's Property Management Services. This proved to be time-consuming, with several months often elapsing between money becoming available for the scheme and a contractor delivering on site.

It was clear that traditional procurement routes would fail to achieve the necessary decency standards within the required time-scale. The vision is to utilise long-term frameworks with every size of contractor working in true partnership with the ALMOs. This will deliver continuity to contractor and partners, enabling them to work in collaboration to improve efficiencies and realise savings through process improvements.

Objectives:

The Construction Partnership's principal aim is clear: to meet the required Decent Homes Standard for all 62,100 properties in Leeds by 2010. There are number of associated objectives:

- To develop partnership working across the team, delivering enhanced performance and service improvements.
- To develop a process of joint business and action planning in order to deliver the strategic goals of the Partnership.
- To tackle potential material resource shortages through the development of a co-ordinated Supply Chain Management strategy.
- To tackle the labour resource shortage through the retention of local contractors and sub contractors.
- To share forward programmes of work, technical and business requirements and cost information relating to the programme.
- To eliminate sources of waste, including duplication and inefficiencies.





Contractors were assessed on a stringent best value basis with selection criteria including equality and diversity, customer focus and tenant liaison. Tenant representatives were involved throughout the selection and tender evaluation process, ensuring strong working relationships and full tenant engagement from the outset.

Benefits to date:

The Partnership is still relatively new but clear benefits are beginning to emerge:

- **SME involvement** – a strong mix of SMEs and larger contractors make up the twelve contractors selected for the Partnership, ensuring that the necessary skills mix is available to meet requirements. In addition there are 27 elemental contractors that will contribute to delivering the work in Leeds.
- **Local training** – the Partnership will provide local people with employment and training opportunities. By encouraging local involvement in local projects, Leeds City Council will succeed in instilling pride and interest in the city.
- **Time efficiencies** – The establishment of a framework of contractors has created both time and efficiency savings linked to the procurement process. Contractor partners are now actively involved in the preparation and preplanning of projects through collaborative working with ALMOs and PMS, leading to greater cost certainty in delivery.

Next steps

A Partnership Away day involving ALMOs, BITMO, PMS staff and Contractor Partners was held in February 2006 and an Action Plan has been formulated, setting out how the Partnership will develop. As a result, all six ALMOs have been asked to provide a three-year programme of works. This will allow realistic targets to be set and real benefits to be achieved, overseen by key Partnership sub-groups.

Progress of the contractors will be monitored through the use of Key Performance Indicators (KPIs), with regular reports on progress to the Performance Management sub-group and Partnership Board. This will enable the creation of a clear benchmark for future assessments.

“*Meeting the Decent Homes Standard by 2010 is a significant and challenging task and one that we know can be achieved through collaborative working across the city. An individual tender approach was proving costly and time consuming and provided little scope for realising efficiencies and opportunities for effective supply chain management. Committed to improving processes in order to deliver real benefits to tenants, we created the Leeds Homes Construction Partnership. Although it is still in its early stages, significant achievements and benefits are beginning to emerge.*”

Marie Milner, Head of Property Management Services, Leeds City Council



How does your project measure up?

■ **To share your success please contact:**
Natalie Clinton, Local Government Task Force
Tel: 020 7592 1149
Email: natalie.clinton@constructingexcellence.org.uk
Web: www.lgtf.org.uk

■ **For support please contact:**
Phil Rigby, Partnerships & Procurement Manager
Tel: 07891 279291
Email: phil.rigby@leeds.gov.uk