



In accordance with the Procurement and Contracts Rules and Procedures (PCRP) (see section 3.1.1): a formal business case is required for any procurement with a total value above £50,000. The level of approval required for the Business Case depends on the type of procurement and total ascertainable value of the contract, as indicated in the table below:

1. Level of Approval

State “YES” in the applicable box at either Level 1, Level 2, or Level 3:

Type of Procurement	Level 1		Level 2		Level 3	
	Assistant Director & Director Approval		Executive Approval		Full Council Approval	
Goods and Services	£50k – £500k		> £500k		Annual Value >£5m or TAV >£25m (if capital >£15m)	
Schedule 3 Services	£50k – £663,540 (VAT inclusive)		> £663,540 (VAT inclusive)			
Works	£50k – £5,336,937 (VAT inclusive)		> £5,336,937 (VAT inclusive)			

NOTE:

Executive meetings (Level 2) are held each month, but the submission of papers is strictly controlled, resulting in a cycle of at least 6-weeks – speak to Democratic Services for assistance.

Full Council meetings (Level 3) are held every second month and submission of papers is controlled as per Executive meetings – speak to Democratic Services for assistance.

2. Project Information

Project / Contract Title	Void Property Works
Project / Contract Description	Repair and refurbishment of void domestic properties to meet WBC’s relet standard prior to handover and reoccupation by new tenants/licensees
Expected Start Date & Duration (months)	Start Date: 15/08/2022 Initial Contract Term: 36 Months
Any Extension/s Allowed (months) (e.g.: 1 x 24m / 1 x 12m + 1 x 12m)	Extension Period: 1 x 36 Months Maximum Contract Duration: 72 Months
Total Ascertainable Value	Total Ascertainable Value: circa £10m (exclusive of VAT) - Based on Maximum Contract Duration of 72 Months
Procurement Advice <i>Provide a short summary of the advice or attach/append any written advice you have obtained, including the type of procedure, Brexit considerations and if the BC is for setting up of DPS or framework agreement.</i>	Due to the contract value, procurement of a new contract must comply with Public Contracts Regulations (PCR 2015). Housing Services will run a compliant open tender process to award a new contract and will keep central procurement informed to comply with our internal rules
Finance Advice <i>Confirm budget availability and add any comments relevant to the budget.</i>	Void property works are an on-going requirement and are included in Housing services annual budget allocations
Source of Funding (revenue or capital or specified other)	Housing Revenue Account (HRA) 70% and Capital 30%. Budgets are set annually and activity will be monitored and managed within each budget period.

If procurement is for software, specify outcome of your consultation with IMT and/or Business Change	N/A
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3. Project Justification

Link to Service or Corporate Objectives:

This section is intended to demonstrate that the project aligns with the Council’s Corporate Delivery Plan and Community Vision. It should provide an overview of how the project is relevant to the Council’s objectives and illustrate how the project supports the directorate’s business plan and key strategies, as well as considerations about:

- Equality Impact
- Social Value
- Sustainability
- Climate Crisis

The new contract will assist the Council with achieving its objectives against key strategic priorities:

‘Safe, Strong Communities’ and ‘A Clean and Green Borough.’

This contract will assist with delivering Housing Asset Management’s main objective: through effective, active asset management to have a high quality, well maintained, sustainable housing stock that meets a locally determined standard, provides the type of accommodation our tenants want, in the locations and environments they would like to live.

The contract will also assist the Council with delivering its commitments in the Corporate Delivery Plan 2020- 2024, Supporting our Community Vision for Wokingham Borough to be: ‘A great place to live, learn, work, and grow and a great place to do business.’

Project Specific Objectives, Appraisal of Options and Project Timetable:

Use this section to list the business goals and objectives that are to be delivered by the project and how the project will address them. Provide justification of any decision to outsource the services/works as opposed to deliver them in-house. The analysis should include an appraisal of any alternative options that have been considered, including the option not to proceed or not to utilise an existing contract, and the reasons for selecting the current course of action. An outline of the expected project timescales, including all key events, should be provided.

Approximately 200-250 council dwellings/temporary accommodation units/council managed dwellings/mobile home plots are vacated annually. Based on 21/22 voids average costs plus the increasing future demand for carbon reduction measures and known inflationary pressures we believe a typical total annual spend will be £1,700,000 (excluding VAT). Void property works are an on-going requirement and annual volumes vary depending on the number of void properties and the extent of works required. Considering the fluctuating annual demands, we estimate the Total Ascertainable Value (TAV) of the contract over a 72-month life cycle will be in the region of £10m (exclusive of VAT).

As a registered provider of social housing and a local authority, Wokingham Borough Council is required to meet the standards laid down by the Social Housing Regulator and legislation, plus regulations relating to local authorities. Part of the housing asset management process is to have an adequate procedure in place to ensure void properties are properly and promptly brought up to the required re-let standard as soon as possible.

To ensure properties are brought up to our re-let standards, a ring-fenced process is required due to the range and scope of the revenue and capital works involved that may include such items as gas servicing and testing, heat calculations, deep cleaning, kitchen and bathroom refurbishments, minor repairs (to include non-licensed asbestos removal), re-decorations, garden works, etc.

Wherever possible, when a property is void, we use the opportunity to complete property upgrade works to help meet the Council's green agenda and sustainability objectives. This may take the form of improving the insulation and replacing windows and doors. Where it is feasible the scope may also include upgrading or replacing the existing heating systems where this can be accommodated by the contractor, although we also have heating specialists that we may also use to complete these types of works.

Repair and refurbishment work for void properties is currently being carried out by our appointed void property works contractor. However, our contract with them expires mid-August 2022, and cannot be extended.

Subsequently, we must procure a new contract to appoint a multi-skilled contractor with the capabilities and capacity to carry out all the works needed to fulfil our relet standard and meet our void process timescales to make each void property suitable for the next tenant to move in.

Combining the scope of works and services required for voids into one contract is more efficient and cost effective. Based on previous experience, using multiple contractors to facilitate different areas of the works is inefficient due to the many parties involved which leads to potential conflicts and involves more administration, is more time consuming, and more expensive. Exceptions are where specific areas in scope of the void process requires specialists, such as licenced asbestos removal works that will still be referred to specialist contractors.

Cost Benefit Analysis:

Use this section to illustrate the costs of the project and compare them with the benefits and savings to be delivered to determine if the project is worth pursuing.

Capital Works business cases should include a financial feasibility assessment in terms of investment payback, return on investment or discounted cash flow value.

Void property works is an on-going requirement, and the new contract is needed to ensure the Council meets its statutory requirements as a landlord, so a cost benefit analysis is not applicable for this business case.

Contract Management:

Use this section to explain the level of contract management that will be required, which Service will be managing the contract, what percentage of FTE hours will have to be dedicated of the management of the contract, name of the contract manager, if known at this stage.

The senior specialist (Voids Manager) will act as the contract administrator (CA) and the principal decision maker. Senior specialists (Assets & Maintenance) and (Senior Building Surveyor) from Housing Services will assist with technical matters. The Voids Manager supported by a team of Property Surveyors will be responsible for overseeing the regular operational activities. A pre-start meeting will be held with the contractor before the start of the new contract. During the contract mobilisation period, update meetings / conference calls will be as required to ensure a smooth transition and implementation and to establish working relations. Service performance review meetings will be held on a monthly basis until such time as the CA is satisfied the frequency can be moved to quarterly, or another frequency. The main quorum for service performance review meetings includes the CA, Lead Specialist for Assets & Maintenance, WBC's technical staff and the Procurement Manager, along with the contractor's contract manager and technical representatives (as required). We will provide regular service performance updates to our stakeholders, e.g., Assistant Director; Neighbourhoods and Communities, and tenants that are represented by the Repairs and Maintenance Group (RMG) and the Tenant and Landlord Improvement Panel (TLIP).

4. Approval

Please fill in the applicable fields according to the level of approval required.

Note: If Level-2 or 3 approval is required, the document should be signed by Assistant Director and Director at Level-1 first, and then presented to the Executive (and Full Council where appropriate) for final approval.

Level 1

Position	Name	Department	Signature
Assistant Director	Simon Price	Neighbourhoods and Communities	
Director	Steve Moore	Place and Growth	

Level 2

NOTE: Level 1 approval must be completed first.

Please state the date of the relevant Executive meeting or Individual Executive Member Decision at which the Business Case has been approved.

Date of Executive meeting / approval	Item No
Executive Approval	