

North Tyneside Council Report to Cabinet 10 February 2014

ITEM 6(b)

Tender for the Supply of
Goods for Furnished
Tenancy Scheme

Portfolio(s): Housing and Environment

Cabinet Member(s): Councillor John
Harrison

Report from : Deputy Chief Executive

Report Author: Ian Conway, Head of Housing (Tel: 0191
6437501)

Wards affected: All Wards

PART 1

1.1 Purpose:

To seek Cabinet's approval to carry out a tendering exercise for the establishment of a framework agreement for the supply of goods to the Authority for the Furnished Tenancy Scheme by one provider. In accordance with the Authority's Standing Orders this report requests approval to proceed with a procurement exercise as the estimated potential cost of the contract to be procured is likely to exceed £500,000.

1.2 Recommendation(s):

It is recommended that Cabinet:

1. approves the commencement of a procurement exercise to appoint a sole supplier to a framework agreement for the supply of goods for the Furnished Tenancy Scheme; and
2. delegates authority to the Head of Housing in consultation with the Head of Law and Governance and the Head of Finance and Commercial Services to approve the tender specification and appoint the supplier who provides the most economically advantageous tender to the Authority on terms and conditions to be agreed by the Head of Law and Governance.

1.3 Forward plan

28 days notice of this report has been given and it first appeared on the Forward plan that was published on 8th January 2014.

1.4 Council plan and policy framework

This report relates to the following theme(s) in the 'Our North Tyneside' Council Delivery Plan: (1) Theme: Our People; Our People will 'be supported to achieve their full potential, especially our children and young people

(2) Theme: Our Places; our Places will 'be places that people like living in and will attract others to either visit or live here, 'work with residents, communities and businesses to regenerate the borough.

In addition to the Council Plan, the current plans and strategies in the policy Framework are as follows:

- North Tyneside Sustainable Community Strategy
- Homelessness Prevention Strategy –2013 - 2018

1.5 Information:

The Authority has been providing a Furnished Tenancy Scheme (the "Scheme") since 1996. The Scheme first started as a 20 pack pilot and was met with popular demand. The Scheme has now grown in size to over 1,300 customers. Under the scheme a furnished tenancy can be provided to new tenants for an extra weekly charge.

Under the current arrangements all the furniture items are purchased from a local furniture supplier who provides an 'end to end' service that includes delivery, collections, cooker connections and repairs. The Authority then leases furniture packages to tenants in the form of a furnished tenancy.

The contract with the current provider will expire on 29th June 2014. Undertaking a tender process will ensure the continued delivery of the Scheme to tenants and ensure that value for money is achieved by the Authority.

The Scheme aims to support its customers in sustaining their tenancies by

- Providing an excellent service;
- Meeting the furnished tenancy scheme's customers' basic furnishing needs; and
- Running effectively and efficiently.

The Scheme has a current income of approximately £1.25 m.

The proposed contract will be for a term of 2 years with the potential to extend for a further 2 years and will provide the following:

- Supply of furniture which meets customers differing needs
- Supply of furniture in a flexible way which allows for the return and provision of new items when required
- Supply of good quality furniture and white goods.
- Adherence to and monitoring of agreed Service Standards reported to North Tyneside Homes quarterly.
- Demonstration of commitment to both the equality and diversity of their staff and our customers
- Support for local employment and training.
- A robust environmental policy to minimize negative environmental impact
- Demonstration of commitment to using customer complaints and feedback to improve

Officers have looked into the possibility of working with neighbouring councils and/or consortiums to assess the viability of a joint procurement exercise. In relation to our neighbouring councils: South Tyneside, Homes for Northumberland and Gateshead. These Authorities all supply furniture on the basis of an original lease of items from Your Homes Newcastle and they supply these to the tenant on this basis.

Your Homes Newcastle does not offer a purchase scheme. Sunderland City Council does not have a furniture scheme but provide only a choice of furnished or unfurnished tenancy.

The Authority's furniture supply is based on a purchased and recharged to tenant basis rather than on a lease basis. The leasing scheme used by other Authority's does not offer value for money when compared against the scheme operated by the Authority. .

In addition, Officers have looked at two regional Procurement Consortiums (the Northern Housing Consortium and the North East Purchasing Organisation) in relation to the provision of furniture. However, no framework contracts for the types of goods and services required to meet the needs of the scheme exist.

In the light of the above it is suggested that the Authority pursue the necessary procurement exercise itself.

1.6 Decision options:

Option 1)

Cabinet may approve the carrying out of a tender exercise to procure a furniture service supplier for the supply of goods in accordance with the recommendation at 1.2.

Option 2)

Cabinet may not approve the carrying out of a tender exercise to procure a furniture service supplier for the supply of goods.

1.7 Reasons for recommended option:

The recommended option is Option 1, as outlined in 1.2 of this report.

If Cabinet approves the recommended option, the procurement will commence immediately to ensure the Authority is ready to award a new contract to start later in 2014. This will ensure continuity of service provision.

If the preferred option is not approved, the Authority will be unable to undertake the proposed procurement exercise and will not be in a position to continue North Tyneside Homes' Furnished Tenancy Scheme.

1.8 Appendices:

This report contains no appendices.

1.9 Contact officers:

Ian Conway, Head of Housing	(0191) 643 7501
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Christine McMillan, Service Manager	(0191) 643 7587
Alison Campbell, Finance Business Manager	(0191) 643 7038

1.10 Background information:

(1) [Contract Standing Orders](#) – North Tyneside Council website January 2013

(2) [Homes Comforts](#) – North Tyneside Council website January 2013

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Scheme is currently funded via a combination of the Housing Revenue Account (HRA) and Housing Capital programme. The furniture packs themselves are purchased via the Capital programme, with a 5-year anticipated pack life and a rolling replacement programme. The costs of transport, delivery, collection and storage are met from within revenue budgets. The overall costs are covered from within the £1.25m service charge income collected annually in relation to these services. Any revised service provision as a result of increased costs or Welfare Reform changes will continue to operate under these budget provisions, and any increased costs will be met by adjusting the overall service offer and replacement programme.

2.2 Legal

As the value of the contract as a whole exceeds the threshold of £500,000, this procurement requires Cabinet approval. Any procurement process will be undertaken in accordance with the Authority's Contract Standing Orders and EU and UK public procurement requirements. An award will be based on the most economically advantageous tender and the successful tenderer will be appointed on terms and conditions approved by the Head of Law and Governance.

A framework agreement will be established with a sole supplier, this will enable goods to be purchased as required by the Authority.

2.3 Consultation/community engagement

In order to assess if the service provided is meeting our customers needs and expectations, an annual Vision Management Survey is issued to all Furnished Tenancy Scheme customers. In March this year, the overall score was 8.75 out of 10; an increase in each area including charging and quality was recorded, noting an overall increase of 0.38 from September 2012.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

An Equalities Impact Assessment was carried out on the service in December 2013.

2.6 Risk management

No risk assessment has taken place connected with the service. Risk assessments are carried out on the job role and lone working practice.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

Furniture items which are identified as reusable are collected, repaired and reissued; therefore, promoting values of sustainability. Any items deemed as irreparable or not for reissue are disposed of by the furniture supplier accordingly. Specific details of any furniture suppliers tender will contain reference to that supplier's environmental policy.

PART 3 - SIGN OFF

- Chief Executive X
- Deputy Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Strategic Manager, Policy, Partnership, Performance and Communication X