



# NORWICH City Council

**Committee name:** Cabinet

**Committee date:** 12/07/2023

**Report title:** Whole House Improvements to void properties.

**Portfolio:** Councillor Jones, Cabinet member for safe, strong, and inclusive neighbourhoods

**Report from:** Executive director of community services

**Wards:** All Wards

**OPEN PUBLIC ITEM**

**KEY DECISION**

## **Purpose**

To consider the award of the following Whole House Improvements to up to 40 properties.

## **Recommendation:**

It is recommended that the award of the contract for whole house improvements works to Void properties are awarded to Gasway Services Limited at a total cost of **£625,000**, subject to satisfactory performance and quality being met for the period of one year from 01 September 2023 to 31 August 2024.

## **Policy framework**

The council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report addresses the following corporate priorities.

- People live independently and well in a diverse and safe city.
- Norwich has the infrastructure and housing it needs to be a successful city.

The Council's Housing Strategy '*Fit for the Future*' A Council Housing Strategy for Norwich sets priorities for the Council's homes and estates for the period 2020 to 2026. It identifies four primary goals, these are:

- Delivering new homes
- Maintaining and improving condition of existing housing
- Improving the use and management of our existing housing stock
- Improving our neighbourhoods

The Council's Strategic Asset Management Framework 2022 sets out six policy themes including 'compliant and financially resilient management of assets.

## **Report details**

### **Background and requirements**

1. The award of this contract is required to enable the council to deliver the ongoing service provision of bringing complex large-scale voids up to lettable standard.
2. This is a recurring requirement. However, the new contract will be an interim arrangement for one year to enable the procurement of new contracts that will be influenced by the ongoing stock condition surveys and the impending restructure of the Property Service team. This provides the opportunity for a full re-assessment of our approach to procuring to support the HRA programmes in future years.
3. The scope of the contract includes the provision for:
  - Kitchen and bathroom upgrades
  - Electrical re-wiring
  - Heating upgrades.
  - New front doors and replacement internal doors
  - Window replacements and upgrades
  - Replastering of walls and ceilings
  - Damp works
  - General repairs
  - Garden clearances

### **Procurement**

4. Approval is sought to award the contract utilising a suitable existing framework with Eastern Procurement Limited (EPL). For information, overall performance of the current contracts provided by Gasway Services Limited has so far been satisfactory.
5. The frameworks provide options to direct award to the most suitable supplier/s and appointing a supplier/s directly using the scores already attained on a framework is a viable way to determine suitability to a particular contract. The proposed contractor already has a history of successful delivery for NCC and this is felt that helps to mitigate risk.
6. To be successful in being accepted onto a framework, contractors are evaluated on a price and quality scoring system and are ranked accordingly.

Within framework guidelines, EPL members are permitted to select the most appropriate contractor that best meets the individual contract requirements. Gasway Services Limited have been evaluated on the basis above to and have been deemed to provide the most advantageous solution.

7. Financial checks have been carried out by EPL upon award of each of the frameworks as suppliers are required to meet a strict criterion in order to be accepted. Additional checks are also carried on an annual basis by EPL and quarterly by the procurement service at Norwich City Council.
8. Gasway Services Limited have confirmed they have capacity to carry out the required works under the contract.
9. The procurement exercises have been undertaken in accordance with the council's contract procedures. They have been conducted fairly, transparently, in a regularised way that conforms to relevant legal requirements.
10. We anticipate, subject to cabinet approval, for EPL to issue the official award to the successful suppliers after the Scrutiny call-in period.
11. Gasway will be advised that the contract is pending continuing satisfactory supplier performance.

### **Consultation**

12. Leasehold Consultations have already been carried out at the time the frameworks were set up by EPL, however the works within this contract will not impact on leaseholders.

### **Implications**

#### **Financial and resources**

13. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2022-26 and budget.
14. The proposed programme of works forms both part of ongoing compliance work, reactive maintenance and upgrade works and will be funded from the HRA as part of the 2023/24 HRA revenue budget and 2023-28 HRA capital programme approved by Council on 21<sup>st</sup> February 2023.
15. The maximum value of the contract awarded will be £625K over the next 12 months to August 2024, which is included within the HRA Business plan approved by Cabinet in December 2022.
16. The contracts will be subject to ongoing review to ensure satisfactory performance and delivery of the contract by the suppliers throughout the year.

### **Legal**

17. EPL have confirmed that the framework for the contract is deemed as Works.
18. The contract will be subject to the JCT Measured Term Contract 2016 for each

of the framework and will be "Executed under Deed".

19. The JCT contract allows for a 13-week "no fault" break clause. Clause 16 of the JCT states that the "period of notice for the Employer is 13 weeks" and the "period of notice for the Contractor is 26 weeks". This contract can be sent to nplaw for comment and review prior to completion as needed.

20. The council's Information Sharing Protocol will apply to this contract.

21. The award of each contract will be published in Contracts Finder.

### Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	The programme of works are not perceived to affect people because of their protected characteristics. The contract management and resident engagement processes will be used as a mechanism to learn and respond to any arising equality or diversity implications.
Health, social and economic impact	Preventing significant harm and long-term ill health associated with potential component failures and damp associated failures
Crime and disorder	The council has a duty to undertake these works. The works are also critical in the providing remedial measures to prevent crime (including the installation of secure doors and windows and other security measures)
Children and adults safeguarding	The properties within this workstream are empty, however competent surveyor will undertake all of the surveys. The consultants will take all reasonable steps to safeguard children and vulnerable adults and share relevant information and concerns with the council.
Environmental impact	There are no environmental implications arising from this report

## Risk management

Risk	Consequence	Control Required
Deterioration of Property Condition	Failure to carry out whole house improvement void works may result in the deterioration of property condition over time. This can lead to increased maintenance costs, reduced tenant satisfaction, and potential health and safety risks.	Implement where required a comprehensive programme for whole house improvement void works, including repairs, refurbishments, and upgrades. Conduct these works promptly and efficiently to prevent further deterioration and ensure the properties are in good condition.
Decreased Tenant Satisfaction	Neglecting whole house improvement void works can result in lower tenant satisfaction. Tenants may experience living in substandard conditions, with outdated facilities, inefficient energy systems, or poor aesthetic appeal. This can lead to increased complaints, tenant turnover, and potential reputational damage for NCC	Prioritise whole house improvement void works where required to improve tenant satisfaction. Engage with tenants to understand their needs and preferences and incorporate them into the improvement plans. Communicate the works schedule clearly to manage tenant expectations and minimise disruptions.
Energy Inefficiency	Not carrying out whole house improvement void works may result in properties with outdated or inefficient energy systems, leading to higher energy consumption and increased energy costs for tenants. This can contribute to fuel poverty and have negative environmental impacts.	Include energy efficiency upgrades as part of the whole house improvement void works. where required. Install energy-efficient systems where possible upgrade insulation, heating systems, to reduce energy consumption and improve sustainability.

<p>Non-compliance with Regulations</p>	<p>Neglecting whole house improvement void works can result in non-compliance with housing regulations and standards. This may include requirements related to health and safety, energy efficiency, accessibility, and building regulations. Non-compliance can lead to penalties, negative reputational damage, and potential loss of funding</p>	<p>Stay informed about relevant housing regulations, standards, and guidelines. Ensure that whole house improvement void works align with these requirements and implement necessary measures to achieve compliance.</p>
<p>Asset Devaluation</p>	<p>Failure to carry out whole house improvement void works can lead to the devaluation of NCC's assets. Properties in poor condition or with outdated features may have lower market value</p>	<p>Develop a comprehensive asset management strategy that includes regular whole house improvement void works. Conduct property valuations and market analysis to identify improvement opportunities that can enhance the value of the assets.</p>
<p>Missed Opportunities for Modernisation</p>	<p>Neglecting whole house improvement void works can result in missed opportunities to modernise properties and meet evolving housing standards and trends. This includes upgrades related to sustainability, technology integration, accessibility, and design aesthetics. Failing to modernise properties can make them less desirable and competitive in the housing market.</p>	<p>Proactively identify modernisation opportunities during whole house improvement void works. Incorporate sustainable features, accessibility enhancements, and contemporary design elements to align with current tenant demands and future-proof the properties.</p>

Increased Operational Costs	Not carrying out whole house improvement void works can lead to higher operational costs for NCC. This includes increased maintenance expenses, higher tenant turnover rates, and potential legal costs associated with non-compliance issues. These increased costs can strain NCC's financial resources and hinder effective budgeting and resource allocation.	Allocate sufficient resources for whole house improvement void works in the annual budget. Develop a proactive maintenance plan to address property issues before they escalate, reducing reactive maintenance costs. Prioritise whole house improvement void works to minimise tenant turnover and associated costs.
Limited Tenant Well-being	Neglecting whole house improvement void works can have a negative impact on tenant well-being. Properties in poor condition can affect occupants' physical and mental health, comfort, and overall quality of life. This can result in lower tenant satisfaction,	Complete the programme of WHI to voids where required to ensure housing is fit for purpose. Develop a regular inspections regime such as stock condition surveys to ensure a proactive approach to maintenance moving forward that delivers effective maintenance programmes,

### **Other options considered.**

#### **Do nothing:**

This would cost the council thousands of pounds in lost rental income and if the Whole Home Improvement Void property upgrades are not carried out, additional rental losses will be suffered. The reputation of the council as a landlord is subject to severe scrutiny from residents and members and will appear that we are not investing in our stock and neighbourhoods to ensure that people live well and have great neighbourhoods in line with the Corporate Plan.

#### **In house provision:**

Norwich City Council does not currently have any existing in-house resources.

#### **Joint venture/Norwich City Services Limited delivery:**

NCSL do not have the resources to undertake this new workstream.

#### **Identify a single supplier to award the contract to without competition:**

This route would be contrary to Contract Procedures as the value is approximately **£625,000.00**.

#### **Establish competitively tendered contract with one supplier:**

Run a competitive procurement exercise looking for a single supplier to meet the council's requirements. Timescales do allow for this option, but the requirement

can be procured with existing frameworks that are active and available.

**Reasons for the decision/recommendation**

22. To ensure the timely award of a contract enabling the delivery, whole house improvements to complex and large-scale voids to ensure properties meet both compliant requirements and are fit for purpose.

**Background papers:** None

**Appendices:** None

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