



NORWICH City Council

Committee name: Cabinet

Committee date: 08/03/2023

Report title: Housing Revenue Account contracts 2023-24 for housing maintenance and upgrades

Portfolio: Councillor Harris, Deputy leader and cabinet member for social housing

Report from: Executive director of community services

Wards: All Wards

OPEN PUBLIC ITEM

KEY DECISION

Purpose

To consider the award of the following Housing Revenue Account contracts 2023-24 for housing maintenance and upgrades:

- Window Upgrades
- Domestic Heating Upgrades
- Domestic Electrical Inspections, Upgrades and Rewires
- Communal Estate Improvements
- External decorations

Recommendation:

It is recommended that the award of the following Housing Revenue Account contracts 2023-24 for housing maintenance works are awarded at a total cost of **£6,150,000.00**, subject to satisfactory performance and quality being met for the period of one year from 01 April 2023 to 31 March 2024.

1. **Window Upgrades** to a single supplier, Anglian Building Products (T/A Anglia Windows Limited) at a contract value of £800,000.00
2. **Domestic Heating Upgrades** to a single supplier, Dodd Group PLC at a contract value of £1,000,000.00
3. **Domestic Electrical Inspections, Upgrades and Rewires** to two suppliers, to be split as follows:
 - Domestic Electrical Inspections to Gasway Services Limited, at a contract value of £450,000.00 and
 - Domestic Upgrades and Rewires to be split 50/50 between Gasway Services Limited and Foster Property Maintenance Limited at a

contract value of £2,450,000.00 (£1,225,000.00 per supplier)

4. **Communal Estate Improvements** to a single supplier, Breyer Group PLC at a contract value of £750,000.00
5. **External Decorations** to a single supplier, Mitie Property Services (UK) Limited at a contract value of £700,000.00

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 meets both the 'People live independently and well in a diverse and safe city and 'Norwich has the infrastructure and housing it needs to be a successful city' corporate priority in the Corporate Plan.

This report helps to meet the Housing Strategy adopted policy of the Council

This report helps to meet 'Housing regeneration and development objective of the COVID-19 Recovery Plan

Report details

Background and requirements

1. The award of these contracts is required to enable the council to deliver the ongoing service provisions for 2023/24.
2. All current contracts covering these provisions end on 31 March 2023 and it is not possible to extend them by way of a variation. Therefore, we are seeking approval to award new contracts for one year commencing 01 April 2023 to end 31 March 2024.
3. This is a recurring requirement. However, the new contracts will be interim arrangements for one year to enable the procurement of new “term” contracts that will be influenced by the ongoing stock condition survey and the impending restructure of the Property Service team. As recognised by the procurement strategy elsewhere on the agenda, this provides the opportunity for a full re-assessment of our approach to procuring to support the HRA capital programme in future years.
4. The scope of the contracts includes the provision for:
 - a. Reactive electrical works
 - b. Periodic electrical testing
 - c. Reactive mechanical works
 - d. Annual gas inspections
 - e. Window replacement programmes
 - f. Estate aesthetics
 - g. Cyclical painting programmes

Procurement

5. As overall performance on all current contracts has so far been satisfactory, approval is sought to award the contracts utilising suitable existing frameworks with Eastern Procurement Limited (EPL).
6. 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. A direct award option on each requirement is appropriate, as these existing contractors are already providing the works.
7. 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.
8. With the exception of the Window Upgrades contract, the recommended suppliers are placed first or second within the frameworks. The full details are as below:

Contract name	EPL Framework information, recommended supplier/s and place on framework (All are incumbent suppliers on existing contracts expiring 31 March 2023)
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Window Upgrades	<p>Window Installations section of the Windows, Doors and Roofline Framework consisting of 5 suppliers (NEW framework for 2023).</p> <p>Anglian Building Products (a division of Anglian Windows Limited) are the 3rd placed supplier. The following reasons have been considered by the Interim head of asset management as to why they remain as the recommended supplier for this contract:</p> <ul style="list-style-type: none"> • Anglian Windows Limited scored highest marks for quality on the framework scoring 36 marks out of the maximum 50. • EPL have advised the 1st place framework supplier, Nationwide Windows Limited, are not currently accepting any Orders until the outcome of the indexation due on 01 April 2023 is known. • The 2nd place supplier, A&B Glass Company Limited would not be able to meet the current timescales for award approval and mobilisation before the contract start date. • Anglian Building Products (incumbent) have performed satisfactorily over the period of the current contract and should they be successful in being awarded this new contract can continue with the programme uninterrupted. • The contract is an interim need for the period of one year only and the larger contract opportunity will be available to other suppliers either via open tender or framework further competition process once the route to market is agreed later this year. • On the basis that the contract is for one year only and we are working on the costs that we already know along with a contract that does not need mobilising, it is felt that this is a tolerable solution.
Domestic Heating Upgrades	<p>Heating Servicing, Repairs, Maintenance and Installations Framework (consisting of 7 suppliers).</p> <p>Dodd Group PLC are the 1st placed supplier.</p>
Domestic Electrical Inspections, Upgrades and Rewires	<p>Electrical Inspections/Testing AND Electrical Rewires sections of the Property Improvements Framework (consisting of 6 suppliers).</p> <p>The contract is to be split as follows: Domestic Electrical Inspections to Gasway Services Limited</p>

	<p>and Domestic Upgrades and Rewires to be split 50/50 between Gasway Services Limited and Foster Property Maintenance Limited.</p> <p>Gasway are the 1st placed supplier for the Electrical Inspections/Testing section of the framework and 2nd for Electrical Rewires.</p> <p>Foster are the 2nd placed supplier for the Electrical Inspections/Testing section of the framework and 1st for Electrical Rewires.</p>
Communal Estate Improvements	<p>Major Works section of the Property Improvements Framework (consisting of 6 suppliers).</p> <p>Breyer Group PLC are the 1st placed supplier.</p>
External Decoration	<p>Decorating Framework (consisting of 3 suppliers).</p> <p>Mitie Property Services (UK) Limited are the 1st placed supplier.</p>

9. Financial checks have been carried out by EPL upon award of each of the frameworks (as per the table above) 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.
10. All suppliers have confirmed they have capacity to continue the work programme for 2023/24 after the current contracts end.
11. 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.
12. We anticipate, subject to cabinet approval, for EPL to issue the official award to the successful suppliers after the Scrutiny call-in period.
13. All suppliers will be advised that the contracts are pending continuing satisfactory supplier performance.

Consultation

14. Leasehold Consultations have already been carried out at the time the frameworks were set up by EPL.

Implications

Financial and resources

15. 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.

16. 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 21st February 2023.
17. The maximum value of the contracts awarded will be £6.150m over the next financial year, which is included within the HRA Business plan approved by Cabinet in December 2022.
18. The contracts will be subject to ongoing review to ensure satisfactory performance and delivery of the contract by the suppliers throughout the year.

Legal

19. EPL have confirmed that all of the frameworks for each contract are deemed as Works.
20. Each contract will be subject to the JCT Measured Term Contract 2016 for each of the frameworks as listed above at Point 8, as issued by EPL and will be Executed under Deed.
21. The contract issued to each supplier on the framework 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".
22. The council's Information Sharing Protocol will apply to this contract.
23. 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	There are no known direct equality and diversity implications arising from the project, albeit this will continue to be monitored throughout.
Health, social and economic impact	The contracts listed will help to enhance customer comfort and well-being providing safe, warm compliant properties and will improve conditions within communal areas for residents
Crime and disorder	The painting and the window contracts will enhance the appearance of homes and present a well-cared for environment, thus combatting the "Broken Windows" syndrome.
Children and adults safeguarding	The contracts listed will help to enhance customer comfort and well-being providing safe, warm compliant properties that allow peaceful enjoyment.

Consideration	Details of any implications and proposed measures to address:
Environmental impact	The contract shall ensure the built environment is maintained and improved to a high standard

Risk management

Risk	Consequence	Controls required
The Council does not successfully enter the contracts to deliver the services	Without the award, the council will not maintain its properties to the required level and not be complaint to statutory regulations	If cabinet approve the award the contract, appropriate properties are targeted to ensure most effective use of the budgets Once works commence this can be reported as a positive that the council take the health and wellbeing and safety of its residents seriously.
Current macroeconomic conditions continue including high inflation	Annual uplift on the supplier's Schedule of Rates in line with the local government annual indices.	As this is a contract for one year the increase in budget is within contractual parameters
Supplier fails to deliver the contract effectively	The works are not undertaken to a satisfactory standard	This is mitigated by the placement of robust contract management The appointed suppliers delivered the previous contract and have the knowledge to know what's expected.

Other options considered

24. **Do nothing:** If the work is not carried out, the council would be non-complaint on both electrical and gas regulations, properties could fall into disrepair, and residents could feel unsafe in their own environment which goes against the council's Corporate Priority of "People live independently and well in a diverse and safe city". It could also have a detrimental effect on the reputation of the council as would result in possible negative press attention.

25. **In house provision:** The council does not currently have any existing in-house resources to undertake the installation programme.

26. **Joint venture/ Norwich City Services (NCSL) delivery:** At present there are no opportunities for NCSL to deliver this work programme for the council.

27. Identify a single supplier to award to without competition: It is not considered that this is likely to provide the best value for money for Council, especially with the option of procuring through a framework which has been tested for value for money

28. Run and establish a competitively tendered contract with one supplier: Although timescales allowed for this option, a suitable Framework with Eastern Procurement Limited (EPL) was found with existing established suppliers which covered the requirements of the contract via a further competition process.

Reasons for the decision/recommendation

29. To ensure the timely award of a contract enabling the delivery, of both compliant requirements and upgrades to windows and decoration.

Background papers: None

Appendices: None

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