

Cabinet

SUPPLEMENTARY AGENDA

Date: Wednesday, 08 February 2023

Time: 17:30

Venue: Mancroft room, City Hall, St Peters Street, Norwich, NR2 1NH

Committee members:

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EXEMPT ITEMS:

(During consideration of these items the meeting is not likely to be open to the press and the public.)

To consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part 1 of Schedule 12 A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, members are asked to decide whether, in all circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

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***14 Department of Levelling Up, Housing and Communities funding opportunities for housing – exempt appendix (para 3)**

- This report is not for publication because it would disclose information relating to the financial or business affairs of any particular person (including the authority holding that information) as in para 3 of Schedule 12A to the Local Government Act 1972.

Date of publication: **Thursday, 02 February 2023**



Committee name: Cabinet

Committee date: 08/02/2023

Report title: **The award of a contract for door entry and access controls systems for new site installations**

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 awarding a contract for the Door Entry and Access Control Systems to include communal entrance door replacement.

Recommendation:

It is recommended that the award of a contract for the Door Entry and Access Control Systems installation programme is made to Alphatrack Systems Limited, subject to annual budget setting and satisfactory performance and quality being met.

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. A single supplier is required by the council to deliver the installation of new door entry and access control systems at approximately 207 site schemes across the city which have been identified in need of additional security measures based on anti-social behaviour.
2. The scope of the contract includes the provision of new door entry/access control systems and the replacement of the communal entrance doors with installation of new doors and screens. The contract is due to commence on 01 April 2023 and the installations will take place over a six-year work programme.
3. This is a recurring requirement, and the previous five-year programme was completed in August 2022. Due to the council already having door entry/access control systems, it is beneficial to provide parity with the same systems and materials with the new six-year programme.
4. The value of the contract is expected to be £0.650m for the first year of the contract (2023/24), £0.506m for 2024/25 and then £0.500m per annum up to 2029 pending annual budget approval and satisfactory supplier performance. The contract allows parties to agree appropriate variations.

Procurement

5. A suitable framework was identified under Lot 1 (Electrical systems) of the Compliance Framework with Eastern Procurement Limited (EPL).
6. Due to the specialist requirements of the contract, a direct award option was not appropriate, so a further competition via a benchmarking exercise was carried out by EPL with the seven suppliers on the Lot.
7. Suppliers were asked to quote for the many different types of door layouts, screens, door entry and access control systems for the various site schemes as would be required over the course of the six-year programme.
8. Tenders were evaluated with a maximum of 40% of the available marks awarded for price and 60% of the marks awarded for quality criteria for delivery or works, delivery of orders and work programme, provision of certification and documents, and supplier behaviour and customer care.
9. Out of the seven suppliers, two submitted bids for the contract. The five suppliers who did not, cited lack of expertise for some of the required elements of the contract and a lack of response from sub-contractors before the tender return deadline.

10. The cost and quality scores achieved by the two bidders are set out in the table below:

Company	Price	Price score	Quality Score	Total Score
Alphatrack Systems Limited	£3,573,680.45	40.00	45	85.00
OpenView Security Solutions Ltd	£4,163,625.08	34.33	34	68.33

11. The supplier offering the best value for money from the benchmarking exercise is **Alphatrack Systems Limited at £3,573,680.45 excluding VAT**.
12. Due diligence has been carried out on the winning supplier. A financial check was carried out by EPL upon the framework award in December 2021. An additional check was carried out in January 2023 via the council's financial assessment tool which rates them as in a stable condition with the overall business risk is showing as Low.
13. The procurement exercise has been undertaken in accordance with the council's contract procedures. It has been conducted fairly, transparently, in an open and regularised way that conforms to relevant legal requirements.
14. On the basis of the bids received, we anticipate, subject to cabinet approval, for EPL to issue the official award to the successful supplier. The award is also pending the successful completion of a Leasehold consultation as detailed below.
15. It should also be noted that the winning supplier undertook the contract for the previous work programme from 2017 which concluded in August 2022 and the Contract manager has advised that the works have been completed to a satisfactory standard.

Consultation

16. The installation programme includes Leaseholder owned properties which require consultation of which Stages one and two have been completed.
17. Following award of the contract Stage three leasehold consultation is required for the term of the contract 2023-29. For each year of the contract the appointed contractor shall submit costs in line with their tendered Schedule of Rates and supplied lists of sites.
18. Receipt of these will be at least 3 months prior to the next financial year. Cost shall be issued to the leasehold team for consultation. Works can commence following leasehold approval.

Implications

Financial and resources

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

19. The proposed programme of works forms part of the compliance work for the and will be funded from the HRA Capital Programme.
20. The value of the contract to be awarded is a maximum of £3.156m over the full six-year installation programme. This differs from the price of the bid considered to offer the best value for money, as the price of the tender related to a benchmarking exercise and not the exact works included within the contract.
21. It is proposed that a higher level of installations are carried out in the first year of the contract, with a budget of £0.650m. The value of works in subsequent years are valued at £0.506m for 2024/25 and £0.500m per annum thereafter. Any underspend from previous years will be requested to be carried forward to future years, dependant on the number of blocks to be delivered for each year of the work programme.
22. The budgets for 2023-28 (years 1-5) are due to be considered by Cabinet at this meeting and by Council on 21st February 2023. The budget for the final year of the contract (year 6) will be proposed for approval as part of the 2024-29 capital programme, which will be considered by Cabinet and Council in February 2024.
23. The contract will be subject to ongoing review to ensure satisfactory performance and delivery of the contract by the supplier.
24. Provision for inflationary increases to the tendered price is included for years subsequent to the first at the rate of CPI minus 1% based on the rate at a point prior to 2 months before the indexation date.

Legal

25. The contract is subject to the JCT Measured Term Contract 2016 as issued by EPL for the Compliance Framework which commenced 20 December 2021 and will be signed under deed.
26. 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".
27. The council's Information Sharing Protocol will apply to this contract.
28. As a call off from the EPL framework, the award will be published in Contracts Finder and Find a Tender.

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 installation programme will help to enhance the overall security of the blocks and improve conditions within communal areas for residents by reducing vandalism.
Crime and disorder	Door entry and access control systems will help prevent anti-social behaviour within communal areas by restricting access to authorised residents.
Children and adults safeguarding	The enhanced security will reduce resident exposure to the defecation, drug use and other extreme anti-social behaviour that currently occurs in some blocks. The door entry systems will also limit opportunistic crime and cold calling.
Environmental impact	The contract shall ensure the built environment is maintained and improved to a high standard and will mitigate the need to paint communal doors over a 20-year period. The systems have a long design life and are of a modular design allowing parts to be repaired when required rather than whole-system replacement.

Risk management

Risk	Consequence	Controls required
The Council does not successfully enter the contract to deliver the service	Without the award, the council will continue to receive reports of anti-social behavior within the communal areas which impacts the health and well-being of our residents and tenants.	If cabinet approve the award the contract, appropriate properties are targeted to ensure most effective use of the budget and by contract performance monitoring to reduce the risk of anti-social behavior.
Current macroeconomic conditions continue including high inflation	Annual uplift on the supplier's Schedule of Rates in line with the local government annual indices.	Once works commence this can be reported as a positive that the council take the health and wellbeing and safety of its residents seriously. It will provide a significant reduction in Anti-social behavior on key troubled estates.
Supplier fails to deliver the contract effectively	The works are not undertaken to a satisfactory standard	Increase in budget for each year, percentage increases fluctuate from year to year and not defined. This is mitigated by the placement of robust contract management with an electrical biased specialism who will oversee the contractor's performance. The appointed supplier delivered the previous contract and has the knowledge to know what's expected.

Other options considered

29. **Do nothing:** If the work is not carried out, anti-social behaviour will continue on its current trend and residents will 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 would also have a detrimental effect on the reputation of the council as would result in more press attention following recent reports of the anti-social behaviour problems in the local newspaper at one of the schemes.

30. **In house provision:** The council does not currently have any existing in-house resources to undertake the installation programme.
31. **Joint venture/ Norwich City Services (NCSL) delivery:** At present there are no opportunities for NCSL to deliver this work programme for the council.
32. **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
33. **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

34. To ensure the timely award of a contract enabling the delivery, by a single supplier, of the Door Entry and Access Controls Systems installation programme over the six-year period to 31 March 2029.

Background papers: None

Appendices: None

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Committee name: Cabinet

Committee date: 08/02/2023

Report title: Department of Levelling Up, Housing and Communities funding opportunities for housing

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 acceptance of funding to deliver additional affordable housing.

Recommendation:

It is recommended that cabinet:

1. Delegate authority to the executive director of communities, in consultation with the council's Section 151 officer and the cabinet member for social housing, to acquire 24 properties for the council's Housing Revenue Account (HRA).
2. Delegate authority to the executive director of communities, in consultation with the council's Section 151 officer and the cabinet member for social housing, to determine the appropriate rent level subject to any approval required by the Secretary of State or the Regulator of Social Housing.
3. Delegate authority to the executive director of communities, subject to business case and in consultation with the council's Section 151 officer and the cabinet member for social housing, to approve the acceptance of funding from the Department for Levelling Up, Housing and Communities (DLUHC).
4. Recommend to Council, the adjustment of the 2022-25 HRA capital programme, to fund the acquisition of the dwellings as set out in the report.

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 the 'Norwich has the infrastructure and housing it needs to be a successful city' corporate priority.

This report addresses the following priority or action in the Corporate Plan:

- Provide and encourage others to provide new homes, open spaces and infrastructure for residents
- Secure and manage funds from a range of sources to invest in the city

This report helps to meet housing strategy adopted policy of the Council

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

DLUHC Funding Opportunities

1. The Corporate Plan 2022-2026 identified the key actions to 'provide and encourage others to provide new homes, open spaces and infrastructure for residents' and to 'secure and manage funds from a range of sources to invest in the city'
2. The council has recently been contacted by the Department for Levelling Up, Housing and Communities (DLUHC) regarding two funding opportunities that are provisionally allocated to the Council.
3. The first is through the Norfolk Devolution Deal, where up to £2m has been provisionally allocated to deliver new affordable housing
4. The second is through the Local Authority Housing Fund (LAHF) with £1.466m provisionally allocated towards providing accommodation for Ukrainian and Afghan refugees.

Norfolk Devolution Funding

5. DLUHC have provisionally awarded the city council funding, subject to business case being approved by them, for the acquisition or development of new affordable housing in the city. This funding is to provide up to 50% of the total cost, with the city council providing the remaining 50% from the Housing Revenue Account (HRA)
6. DLUHC have indicated that the funding is available in 2022/23 and would like the majority of the spend within this financial year.
7. Officers have looked at options to acquire either new-build properties currently under construction or those available on the open market.
8. When considering the options officers considered the overall cost, the specification of the available homes including environmental performance and delivery / acquisition timeframes.
9. The preferred option to fulfil the requirements is to acquire 12 homes currently under construction with details set out in the exempt appendix to this report.
10. Due to the nature of the development under consideration it is also recommended that the council acquires a further 12 properties directly by the HRA utilising 40% retained RTB receipts and the remainder coming from existing HRA reserves or borrowing.
11. The final decision on the funding availability is subject to the business case being approved by DLUHC, match funding being approved by full council, and approval by the developers Board. We are therefore seeking delegated authority to the executive director of communities to approve the acquisitions and the acceptance of the funding once confirmation is received.
12. For the HRA match funding to acquire the initial 12 dwellings DLUHC have agreed that the council could utilise retained Right to Buy (RTB) receipts to fund a further 10% of the total cost with the remaining 40% coming from HRA reserves or borrowing.

Local Authority Housing Fund (LAHF) Refugee funding

13. DLUHC has recently announced LAHF funding to provide accommodation for Ukrainian and Afghan refugees.
14. The City Council has provisionally been allocated sums outlined in the exempt appendix within 2 funding streams:
 - a. Main element - funding to provide a minimum of 13 dwellings. This funding is based upon 40% of average lower quartile house prices for Norwich plus an additional amount to fund refurbishment and furnishing costs.
 - b. Bridging element – funding to provide a minimum of 2 larger 4-bed+ homes for refugees currently residing in bridging accommodation. This is based upon 50% of average lower quartile prices for 4-bed+ accommodation plus an additional amount to fund refurbishment and furnishing costs.
15. DLUHC are asking for early delivery of this accommodation with an expectation that all acquisitions will be completed by end of November 2023.
16. Officers have met with colleagues from Norfolk County Council, people from abroad team, to discuss the housing needs of current refugees. They have advised an ideal property mix for the main element of 10 x 2/3-bedroom properties for Ukrainian families and 3 x 4/5-bedroom properties for Afghan families with the additional 2 x 4/5-bed dwellings being for families currently residing in bridging accommodation.
17. DLUHC have advised that the council would need to provide both elements of the scheme and cannot just provide the main or bridging elements in isolation.
18. The options included within the prospectus allow for:
 - a. Refurbishing and/or converting local authority-owned residential or non-residential buildings, including defunct sheltered accommodation.
 - b. Acquiring, refurbishing and/or converting non-local authority owned residential or non-residential buildings, including bringing empty or dilapidated properties back into use.
 - c. Acquiring new build properties 'off-the-shelf', including acquiring and converting shared ownership properties.
 - d. Developing new properties, including developing modular housing on council owned sites, and
 - e. Working with and supporting other organisations who want to offer accommodation for this cohort
19. In Norwich there are currently very few properties available at average lower quartile house prices, particularly for family housing, and so the preferred option is likely to be refurbishing existing long-term city council owned properties that are void and require major works.
20. DLUHC have set a timetable that required the council to express an interest in the scheme by 25 January, which has been done, with proposals then worked up for submission by March 2023.

21. Cabinet is asked to approve delegated authority to the director of communities, in consultation with the council's Section 151 officer and the portfolio holder for social housing, to work up the business case for this proposal and to submit to DLUHC by the required deadlines.

Consultation

22. Officers have consulted with cabinet and labour group councillors on the proposals to acquire the 24 dwellings, with broad approval to accept the funding on offer subject to confirmation by DLUHC.

Implications

Financial and resources

23. 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.
24. The acquisition of 24 properties from a developer and the LAHF project both require additional budget in 2022/23 and future years. Details are in the exempt appendix to this report.

Legal

25. Section 120 of the Local Government Act 1972 provides Local Authorities general powers to acquire land for the purposes of any of their functions, or to benefit, improve or develop their area.
26. Section 9 of the Housing Act 1985 states that a local authority may provide housing accommodation by acquiring houses.
27. Nplaw has confirmed that as the council is acquiring new-build properties off-plan at a market value then public procurement rules won't apply.
28. Legal advice and guidance will be sought from nplaw on the grant agreements when received.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	<p>If successful with the LAHF funding the council will consider its duties to prospective residents under the Equality Act 2010.</p> <p>Refugees are defined and protected in international law. The 1951 Refugee Convention defines a refugee as 'someone who is unable or unwilling to return to their country of origin owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion.</p>

Consideration	Details of any implications and proposed measures to address:
Health, social and economic impact	<p>The acquisition of 24 new affordable homes will provide much needed accommodation for residents on the waiting list.</p> <p>The provision of sufficient and high-quality housing is essential to health and well-being of residents.</p> <p>The provision of homes designed to high environmental standards and let at affordable rents will advance financial inclusion by helping to improve affordability for residents.</p> <p>This development has provided employment opportunities, with the construction being undertaken by local contractors, supported by local suppliers, and has generated local spending for the benefit of the wider economy. Providing more housing is important in supporting sustainable economic growth and prosperity</p>
Crime and disorder	The properties are designed along secure by design principles
Children and adults safeguarding	Providing homes for refugee families will positively impact upon their safeguarding.
Environmental impact	<p>The 24 properties being acquired meet a high environmental standard that will help to address fuel poverty for the tenants.</p> <p>Consideration has also been given to amenity space and biodiversity on the development.</p>

Risk management

Risk	Consequence	Controls required
Financial Risk The acquisition of properties from a developer is subject to business case approval by DLUHC and Council approval of budget.	If approvals from DLUHC or council are not approved the project would be unviable	On-going discussions with DLUHC. The project is outside the current HRA business plan but is affordable to be included. Deemed low risk as the project is included within the Norfolk Devolution deal and project is viable for the HRA.
Developer approval of price by their board	Negotiations have been positive with the developer and a	On-going discussions with the developer

Risk	Consequence	Controls required
	discount provisionally agreed through negotiation. If their Board do not approve the price then the project would need to be re-evaluated and may be unviable.	
The regulator of social housing doesn't approve the higher rent levels	There is a process for the uplifting of rents for new properties where this can be demonstrated to be required on viability grounds	Deemed low risk as standard process with the regulator
Reputational Risk DLUHC have confirmed the inclusion of funding for affordable housing in the City as part of the Norfolk Devolution Deal. Refusal of this funding could damage the council's reputation.	The council has a positive relationship with DLUHC and has been successful with several recent bids for grants in particular to support affordable housing. Refusal of this funding could damage future bids for funding.	Deemed low risk as the council has a viable project to utilise this funding.

Other options considered

29. Officers considered the acquisition of open market properties for both sets of funding, however there is a lack of properties available on the open market that would meet the same value for money in terms of initial costs, and refurbishment / future costs to meet future homes standard.
30. The preferred option for the devolution funding is to acquire available new-build properties to a high environmental standard that will help address fuel poverty for residents and that are affordable to the HRA and do not require extensive retrofit in the future.
31. The preferred option, due to cost, for the LAHF funding is to refurbish existing local authority owned stock.

Reasons for the decision/recommendation

32. Cabinet are asked to approve delegated authority in order that officers can progress both projects under the different funding streams as and when funding is confirmed.
33. **Background papers: N/A**

Appendices: Exempt Appendix to this report

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