



NORWICH City Council

Committee name: Cabinet

Committee date: 08/03/2023

Report title: **The award of contract for a decoration allowance scheme for new housing tenants**

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

Report from: Tenancy Services Manager

Wards: All wards

OPEN PUBLIC ITEM

KEY DECISION

Purpose

To seek approval to award a contract for a decoration allowance scheme for new housing tenants.

Recommendation:

To delegate approval to the Director of Community Services in consultation with the cabinet member for social housing to award the contract for a decoration allowance scheme for new housing tenants.

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 corporate priorities for people live independently and well in a diverse and safe city and that Norwich City Council is in good shape to serve the city

Report details

1. Many tenants, when moving into their council homes, want the choice to decorate their property to their own wishes. With that in mind, the Council provides decoration vouchers to tenants which enable them to purchase paint and equipment for decorating.
2. A budget of £132,500 is included each year to cover the costs of the scheme, and in the last full financial year a total cost of £106,821 was incurred. Across a 4 year period, the costs of the service exceed the public contract regulations threshold for services contracts, and therefore a compliant procurement route is required.
3. At present, the Council's contracts are with:
 - a) B&Q, who provide a plastic card or a digital E-gift card which is loaded with £25 per room to the amount allocated, for example, three rooms = £75.00. Tenants can purchase items such as paint brushes / rollers / filler
 - b) Crown Paints Ltd and PPG Johnstones who provide paint packs which are awarded from one room to a four-bedroom house and delivery is free
 - c) R E Thorns Ltd (which sits outside of the main contract). This operates on a similar voucher basis costing at £25.00 per room.
 - d) A BACS (cash) payment of £25.00 plus up to £50.00 per room (with a maximum of £80.00 per room) can be awarded to any disabled tenants who are unable to decorate or have family who are unable to undertake the decoration on their behalf.
4. The new contract presents us with the opportunity to increase the range of options for tenants. Further, recognising the cost of living crisis and rising costs of decoration of homes, it is intended to increase the value of vouchers to £30 (a 20% rise). As a result, under the new contract arrangements, tenants will have the following options:
 - a) B&Q who will continue to provide a plastic card or a digital E-gift card which is loaded with £30.00 per room
 - b) Wilko who provide a plastic card which is loaded with £30.00 per room – to the amount allocated. For example, three rooms = £90.00. Tenants can purchase items such as paint/brushes/rollers/ filler.
 - c) Crown Paints Ltd and PPG Johnstones who will continue to provide paint packs.

Appendix 1 shows an example of the paint packs that will be available for a two-bedroom flat from Crown.

5. The option of using RE Thorns Ltd or a BACS cash payment of £30 per room plus up to £50 per room for disabled tenants will continue under the new arrangements.

6. A housing officer-lettings will determine the number of rooms which require decoration by the current standard of decoration, which is based on the council's current lettings standards. This is undertaken via an inspection of the property by officers.
7. At the viewing of the property the applicant is advised of the amount and the choice of supplier available to them. They are also asked for the supplier they would like to receive their decoration supplies from.
8. The current contract was awarded via the EPL procurement framework open to local authorities to access. This framework is still considered the best way to obtain the requirements as the variety of options available will be useful as needs and locations within the city may preclude tenants from going to one source.
9. As above, the primary benefit of the scheme is that it offers tenants choice in how they decorate their property. Current feedback is generally good from tenant for the choices of goods and providers.
10. In addition, operating this way is generally more cost effective to the council than undertaking the work ourselves.

Consultation

11. Consultation has been internally between the Lettings and Housing Support team, alongside Eastern Procurement Limited (EPL) for the procurement process. Feedback is requested from tenants as part of the lettings survey on the decoration allowance, and shows ongoing commitment to engagement with residents in line with requirements of the Social Housing Regulation Bill.

Implications

Financial and resources

12. 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.
13. The costs arising from this decision will be met from approved budgetary provision within the Housing Revenue Account to a value of approximately £132,500 in total for each financial year, depending on the need for vouchers or decoration packs, and the number of qualifying properties.
14. The contract usage will be based on the available budgets to provide the services. If the Councils approach changes in this area and there is no available budget, we would simply cease obtaining the vouchers or packs.
15. The value of the voucher award is a decision for the Council to make, and therefore if the cost of living rises continue, the Council can consider increasing the £30 per room award without requiring variation to the contract.

Legal

16. We have worked with EPL to ensure we can access the relevant framework and have duly called off from it in accordance with its rules. As such this is a process compliant with the Public Contracts Regulations 2015.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	None
Health, social and economic impact	None
Crime and disorder	None
Children and adults safeguarding	None
Environmental impact	None

Risk management

Risk	Consequence	Controls required
Failure to enter a contract for a decoration allowance scheme would mean the Council either having to provide decorating itself or paying for individual tenant costs	Resident dissatisfaction through standardised decoration and increased costs to the Council	This report seeks Council consent to enter the contract

Other options considered

17. Offer no decoration allowance and do no decorating during void. This may make properties harder to let as decoration requirement would vary between properties, and prospective tenants may be put off. This could impact satisfaction rates of new tenants with their home, and feelings of pride in their home which could impact tenancy sustainment.
18. Undertake decoration of properties through NCSL; this is likely to be at a higher cost than if tenants undertake the decoration of properties themselves; the scheme provides for the costs of materials only.
19. Look at alternative procurement routes such as our own framework; the EPL framework includes a range of suppliers who operate in Norwich and offers tenants choice. The alternative arrangement with Thorns can be extended to other local companies if required to offer additional choice.

Reasons for the decision/recommendation

20.. A decoration allowance scheme provides tenants the choice to decorate their new home according to their own preference.

Background papers: None

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Appendix: 1

Example of paint pack for 2-bedroom flat

HDP 2 - Two Bedroom Flat		Total Pack Price	£80.24			
PAINT						
Product Code	Product Description	Colour Choice	Can Size	Quantity	Price Each	Total
5024058	Crown Trade Vinyl Matt Emulsion	White	5 litre	1	£14.07	£14.07
5024057	Crown Trade Vinyl Matt Emulsion	White	2.5 litre	1	£9.22	£9.22
5029086	Crown Trade Vinyl Matt Emulsion	Colour	5 litre	1	£17.89	£17.89
5029085	Crown Trade Vinyl Matt Emulsion	Colour	2.5 litre	1	£11.32	£11.32
5026872	Crown Solo Satin	White	2.5 litre	1	£12.13	£12.13
			17.5 Litres		TOTAL	£64.63
SUNDRIES SKU CODE 10002521						
Product Code	Sundries Item	Quantity	Price Each	Total		
6060615	DS Ready mixed filler 1 kg	1	£1.35	£1.35		
6055589	DS 9" Roller kit	1	£4.43	£4.43		
6055199	1" Essential Paint brush	2	£0.88	£1.76		
6055201	2" Essential Paint brush	2	£1.83	£3.66		
6041124	Indasa masking tape 25mm	1	£1.01	£1.01		
6047951	DE Poly dust sheet 12x9	1	£1.47	£1.47		
6053561	Rhynowood Assorted sandpaper x5	1	£1.93	£1.93		
		9 Sundry Items	TOTAL	£15.61		