

Report to Cabinet

18 January 2023

Subject:	Asset Management Investment Programme for Housing 2023-24
Cabinet Member:	Cabinet Member for Housing, Councillor Charn Singh Padda
Director:	Director of Housing Gillian Douglas
Key Decision:	Yes Above £1m threshold.
Contact Officer:	Dean Epton – Interim Assistant Director - Housing Dean_epton@sandwell.gov.uk Jonathan Rawlins – Business Manager – Asset Management and Improvement Jonathan_rawlins@sandwell.gov.uk

1 Recommendations

- 1.1 That the Director of Housing, in consultation with the Director of Finance, be authorised to prepare tendering documentation and to procure contractors, in accordance with The Public Contract Regulations 2015 and the Council’s Procurement and Contract Procedure Rules, to work on behalf of the Council, to deliver the refurbishment and maintenance works detailed below: -

Contract	Value
Internal Improvement Programme 2023 - 2027	£6,000,000
Refurbishment of St Giles and Moorlands Court	£19,788,000

Lift Maintenance Services 2024 - 2028	£3,180,000
Electrical Services 2023 - 2027	£3,600,000
Day to Day Repairs to Housing 2024 – 2027	£2,400,000
Supply of Domestic Electrical Items 2023 - 2027	£2,300,000
Supply of Plumbing Parts 2023 – 2027	£6,000,000
Supply of Building Materials 2023 - 2027	£1,600,000
TOTAL	£44,868,000

- 1.2 That the Director of Housing be authorised to award the contracts, as referred to in 1.1 above, to the successful contractor(s).
- 1.3 That the Director – Law and Governance and Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to the award of the contracts.
- 1.4 That any necessary exemption be made to the Council’s Procurement and Contract Procedure Rules to enable the course of action referred to in 1.1 above to proceed.

2 Reasons for Recommendations

- 2.1 This report seeks approval to procure, award and enter into contract with the successful contractors to deliver the various contracts as detailed within the report to continue the substantial investment in the Council’s Housing Stock.

3 How does this deliver objectives of the Corporate Plan?

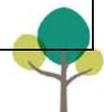


Quality homes in thriving neighbourhoods. These contracts are required to allow Sandwell MBC to continue to maintain and upgrade its housing stock as and when required, in line with the Decent Homes Standard and regulatory requirements











ONE COUNCIL
ONE TEAM

The delivery of these contracts will both improve the energy efficiency, the appearance, the security and fire safety of the housing stock.

Ambition 2 - Sandwell is a place where we live healthy lives and live them for longer, and where those of us who are vulnerable feel respected and cared for.

Improved energy-efficiency of homes will reduce energy bills and help to address fuel poverty, allowing vulnerable residents to enjoy more comfortable lives.

The provision of these services provides vital adaptations and improvements to people's homes which enable them to maintain their independence in their communities.

Ambition 3 – Our workforce and young people are skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy

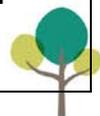
The delivery of these contracts will support investing in businesses, people and jobs that will create wealth and tackle poverty. It will also actively promote Think Sandwell with the inclusion of apprenticeships and training opportunities within the contractual arrangements.

Ambition 5: Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods.

The delivery of these contracts will support Sandwell's approach towards reducing crime and anti-social behaviour levels.

Ambition 8 – Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families.

The delivery of these contracts will deliver improvements to our housing stock and the surrounding areas in which they are located, to promote families choosing to move into and stay in Sandwell and being proud of the town and area in which they live.



4 Context and Key Issues

4.1 The Council is seeking to procure, award and appoint contractors to undertake the following refurbishment and maintenance works: -

- Internal Improvement Programme 2023 – 2027
- Refurbishment of St Giles/Moorlands Courts, Rowley Regis
- Lift Maintenance Services 2024 – 2028
- Electrical Services 2023 - 2027
- Day to Day Repairs to Housing 2024 – 2027
- Supply of Domestic Electrical Items 2023 - 2027
- Supply of Plumbing Parts 2023 - 2027
- Supply and Delivery of Building Materials 2023 - 2027

4.2 All wards within Sandwell will be affected.

4.3 On 18th October 2017 Cabinet approved the Housing Revenue Account (HRA) – Housing Investment Programme report. The report set out a refreshed 10-year HRA investment plan to enable the delivery of new build projects and to continue investment into existing stock and communal spaces in our neighbourhoods.

4.4 One of the key aspects to the report was to maintain and where necessary upgrade our existing stock.

4.5 In order to ensure the plan remains fit for purpose a review of the HRA investment programme has been undertaken.

4.6 By reviewing the HRA every 3 – 5 years we can ensure it is continuing to deliver the aims and objectives of the council in the short term, make recommendations for adjustment to address new and emerging priorities, and ensure the investment programme remains affordable for the duration of the plan.



4.7 The revised HRA funded Housing Investment Programme is designed to respond to these and other emerging priorities and will deliver our ambitions for housing by:

- Maintaining our existing stock to the Sandwell Standard
- Ensuring our properties are energy efficient
- Remodelling our properties to suit changing needs
- Protecting our residents and assets.

4.8 We have made sure the proposed financial plans are affordable in the long term and will help support us in meeting the needs of the residents of we serve.

4.9 We will continue to invest in current stock to make sure it meets the needs of existing and new tenants and supports tenants to avoid fuel poverty through energy efficiency interventions. We will also remodel some of our houses to meet the needs of vulnerable families and individuals.

4.10 Internal Improvement Programme 2023 - 2027

4.10.1 This report seeks the approval to procure and enter into contract with one Contractor to carry out internal improvements to Council Housing Stock across the Borough, excluding high rise, for a contract period of four years, from May 2023 to April 2027.

4.10.2 The contracts will be a continuation of an existing programme of internal improvement works delivered since May 2019, which was approved by Cabinet at its meeting of 18th April 2018.

4.10.3 The current contracts expire in May 2023.

4.10.4 The Contract is seeking to procure a contractor to deliver internal improvements where identified for replacement throughout the Council Owned Housing Stock across the Borough. Internal improvements include kitchens, bathrooms, plastering, rewiring improvements and energy efficiency measures.



- 4.10.5 Across the Council's Housing Stock the previous capital investment programme did not replace all kitchens and bathrooms in every property. Consequently, not every element within each property was therefore replaced. These elements will fail over time and this contract proposes to provide contract arrangements for these works and other internal improvements to be undertaken.
- 4.10.6 The identification of works will be demand driven with each property inspected and assessed to identify if repair or replacement is required.
- 4.10.7 The annual value of works contained within the contract will be £1.5 million per annum with one contractor delivering works over a four-year contract period.
- 4.10.8 Sandwell is an area with high levels of deprivation by comparison with other areas of the country and as a result many residents face the challenge of fuel poverty, spending a significant amount of money paying fuel bills, with some residents having to choose which household bills they can afford to pay. Through the delivery of this Contract a review of existing insulation levels will be undertaken throughout the individual properties and blocks to assess any opportunities to improve the energy efficiency of properties.
- 4.10.9 If the Council's ambitious climate change target to achieve carbon neutrality by 2041 is to be met, this type of intervention is necessary. This project will also help families who may be suffering from fuel poverty as they are currently living in some of the least energy-efficient houses in the Council's stock.
- 4.10.10 Energy efficiency measures will be incorporated into the internal improvement programme and can help demonstrate a firm commitment towards achieving carbon reduction targets and climate change initiatives.



4.11 Refurbishment of St Giles and Moorlands Court

4.11.1 This report seeks the approval to procure and appoint a contractor to carry out the refurbishment of St Giles and Moorlands Court, Reservoir Road, Rowley Regis, B65 9PB.

4.11.2 The contract will be a continuation of an existing programme of external improvement works to our high-rise stock, which was approved by Cabinet at its meeting of 18th October 2017.

4.11.3 The Council has delivered a programme of improvements to High Rise Blocks of flats across the Borough generally including improvements to the external fabric such as new windows, surface treatment such as render and cladding and roofing works together with improvements to the communal areas such as new entrances, fire retardant paintwork and fire doors.

4.11.4 The high-rise refurbishment projects have been a highly visible sign of the significant investment Sandwell has made in its stock and has proved popular with residents and visitors alike.

4.11.5 Including these 2 blocks, there are 10 blocks managed by the council which have yet to be improved externally, with Darley House currently on site and Allen House currently being procured.

4.11.6 St Giles and Moorlands Court are 15-storey blocks, built in 1966 in the Blackheath Ward of Rowley Regis. They each contain 85 units, comprising 71 two bed and 14 three bed flats.

4.11.7 The following works are now deemed required to bring the block up to the current standard of all other high-rise refurbishment projects and to enhance the life expectancy of the building to thirty years whilst improving the standards for the current residents.



- Undertaking Identified Structural repairs
- Over cladding of the blocks with mineral wool insulation and rainscreen cladding to improve the thermal efficiency
- Replacement of single glazed windows with double glazed tilt and turn aluminium/timber composite windows
- New balcony doors and balcony upgrade to create a winter garden
- New insulated pitched roofs to cover the existing flat roofs
- Installation of fire resistant doors and screens to the communal areas on all floor levels.
- Complete redecoration of all communal areas along with new flooring installed at each level.
- New Entrance doors to all flats.
- Installation of new Sprinkler system to complement the existing fire detection already installed within the flats as part of the Decent Homes Scheme
- New rear entrance lobby with secure key fob door entry system to match front Porch installed previously
- Refuse Chute Replacement
- Upgrade of street lighting to improve ASB issues locally
- Minimal Landscape works involve resurfacing both the road and all footpaths around the block, replacement of Kerbs and edgings and the reduction of grassed areas to eliminate current maintenance issues.
- New Incoming mains landlord's electricity supply and distribution.
- Improved communal/emergency lighting.
- Individual Flat mechanical extract and positive input ventilation.
- Automatic smoke ventilation to communal escape routes.
- 9-wire communal aerial upgrade, so external satellite dishes can be removed.
- Upgraded stand-alone CCTV installation, if existing cameras are sited on blocks.
- Lightning protection.

4.11.8 The value of the contract is estimated to be in the region of £19.8 million and will be on site for a period of approximately twenty months, commencing September 2023.



4.12 Lift Maintenance Services 2024 – 2028

4.12.1 The Council is seeking to procure and appoint three contractors to undertake lift maintenance services to various tenure for a contract period of four years, from 1st April 2024 to 31st March 2028.

4.12.2 The anticipated value of the contract is in the region of £3.18 million (£795,000 per annum) for a period of four years.

4.12.3 The award of this contract will enable the Council to fulfil its duties to both residents and personnel by providing a complete 365 days, 24 hours emergency breakdown service. This will include weekends and bank holidays to all its lifts and lift equipment. It will additionally provide for the regular maintenance of the same to ensure compliance with all regulatory health and safety requirements.

4.12.4 The current contract was awarded in February 2020 and expires 31st March 2024.

4.12.5 This tender has been divided into the following lots:

- Lot 1 – High Rise
- Lot 2 – Public Buildings and Schools
- Lot 3 – Residential

4.12.6 Lot 1 includes the cyclical servicing, maintenance, breakdowns, repairs to all traction and hydraulic passenger/goods lifts in accordance with the installations as detailed within tender document and service and maintenance schedule. Lot 1 comprises 98 lifts and equipment to the high-rise flats sited within the six towns of the borough of Sandwell.

4.12.7 Lot 2 includes carrying out regular maintenance, service, breakdowns, repairs to passenger/ goods lifts, stair lifts platform lifts and other lifting aids sited within Public Buildings and Schools to be undertaken upon each installation on a monthly/Quarterly/Annual or six-monthly basis. Lot 2 comprises 162 lifts and equipment.



4.12.8 Lot 3 includes carrying out service, repair, maintenance, removal and reinstatement of powered lifting aids sited within council/private residential properties. Lot 3 comprises 1,506 powered lifts and equipment.

4.13 Electrical Services 2023 – 2027

4.13.1 The Council is seeking to procure and appoint four contractors to undertake electrical services to housing for a contract period of four years, from 1st November 2023 to 31st October 2027.

4.13.2 The anticipated value of the contract is in the region of £3.6 million (£900,000 per annum) for a period of four years.

4.13.3 The award of this contract will enable Sandwell Council to fulfil its landlord duties and ensure all properties are electrically compliant in accordance with the 18th Edition IET Wiring Regulations (BS 7671:2018).

4.13.4 The current contract was awarded in August 2019 and expires 31st October 2023.

4.13.5 This tender has been divided into the following lots:

- Lot 1 Electrical Repair and Maintenance
- Lot 2 Electrical Periodic Inspection and Reporting to both domestic dwellings and communal areas
- Lot 3 Periodic Inspection and Reporting of Fire Alarms

4.13.6 Lot 1 comprises electrical services to supplement the electrical teams in Sandwell Council's Response Repairs, Planned and Cyclical, Aids and Adaption's and Void sections. The project is to provide repair/maintenance to domestic council owned housing properties throughout the Borough of Sandwell. The tender is therefore seeking to appoint one contractor to cover the whole of the Borough.



4.13.7 Lot 2 comprises an electrical inspection and testing in the form of a Domestic Electrical Installation Condition Report (DEICR) to each of our council owned housing properties, carried out every 5 years, at change of tenancy or sooner, should the testing engineer recommend so. It also includes an Electrical Installation Condition Report (EICR) on the fixed wiring (lighting and power) within our high, medium and low-rise flats' communal areas, over a 5-year cycle. As part of this contract there is cyclical inspection, servicing and maintenance to emergency lighting, fire alarms, smoke alarms (in all electric properties) and roof fans.

4.13.8 For the delivery of the works identified in Lot 2 we are seeking to appoint two Contractors, one to serve the North of the Borough and one in the South with the most economically advantageous tender awarded the North area and the second most economically advantageous tender awarded the South area.

4.13.9 Across the Borough we have 24 premises that are managed by Housing and Communities that are fitted with a commercial fire alarm system. These are serviced on a 6-monthly basis. Testing of these systems on a weekly basis is split between Council staff at 7 of the sites whilst the other 18 sites are tested by an external contractor. The contract covers the ongoing regular test, servicing and maintenance regime.

4.13.10 Due to the specialist nature of these systems we are seeking to appoint one contractor to cover the works within Lot 3.

4.14 Day to Day Repairs to Housing 2024 – 2027

4.14.1 The Council is seeking to procure and appoint up to six contractors to undertake day to day repairs to housing for a contract period of four years, from 1st January 2024 to 31st December 2027.

4.14.2 The anticipated value of the contract is in the region of £2.4 million (£600,000 per annum) for a period of four years.

4.14.3 The current contract was awarded in December 2021 and expires 31st December 2023.



4.14.4 Further to re-commencing non-urgent repairs in April 2021, the number of jobs received over the past 18 months has been well above average and has resulted in a backlog of work orders requiring attention.

4.14.5 Current in-house provision and external contractor support does not have the capacity to maintain the pace of demand for delivering the required repairs to Council properties and therefore support from external contractors is required.

4.14.6 The most economically advantageous tender will be appointed to West Bromwich. The 2nd most economically advantageous tender will be appointed to Tipton. The 3rd most economically advantageous tender will be appointed to Wednesbury. The 4th most economically advantageous tender will be appointed to Rowley Regis. The 5th most economically advantageous tender will be appointed to Oldbury. The 6th most economically advantageous tender will be appointed to Smethwick.

4.15 Supply of Domestic Electrical Items 2023 - 2027

4.15.1 The Council is seeking to procure and appoint one supplier to supply domestic electrical items to Roway Lane Supplies Section for a contract period of four years, from 1st May 2023 to 30th April 2027.

4.15.2 The anticipated value of the contract is in the region of £2.3 million (£575,000 per annum) for a period of four years.

4.15.3 The current contract expires on the 30th April 2023 and there is still the requirement to purchase plumbing parts in order for the Council to continue to maintain its current housing stock.

4.15.4 The award of this contract will enable Sandwell MBC to quickly repair its properties and keep the residents safe.



4.16 Supply of Plumbing Parts 2023 – 2027

4.16.1 The Council is seeking to procure and appoint one supplier to supply plumbing parts to Roway Lane Supplies Section for a contract period of four years, from 1st December 2023 to 30th November 2027.

4.16.2 The anticipated value of the contract is in the region of £6 million (£1.5 million per annum) for a period of four years.

4.16.3 The current contract expires on the 30th November 2023 and there is still the requirement to purchase plumbing parts for the Council to continue to maintain its current housing stock.

4.16.4 The continued purchase of plumbing parts will enable our customers to feel safe within their homes, and have the feeling that properties are being maintained.

4.17 Supply of Building Materials 2023 - 2027

4.17.1 The Council is seeking to procure and appoint one supplier to supply the bulk materials to facilitate repairs to Sandwell MBC properties for a contract period of four years, from 1st June 2023 to 31st May 2027.

4.17.2 The anticipated value of the contract is in the region of £1.6 million (£400,000 per annum) for a period of four years.

4.17.3 This contract is used to supply sand, cement and the larger building materials to both Roway Lane Supplies Section and when required direct to site to reduce material handling.

4.17.4 The current contract expires on the 31st May 2023.

4.17.5 The award of this contract will enable Sandwell MBC to quickly repair our properties.

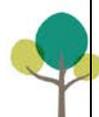


5 Alternative Options

- 5.1 The alternative is to not invest in our Council Housing Stock which in turn may lead to dissatisfaction from existing and potential new tenants as well as disrepair and additional burden on the Housing Revenue Account.
- 5.2 Current in-house provision does not have the capacity to maintain the pace of demand for delivering the required repairs to Council properties with regards to the electrical services and day to day repairs contracts and therefore support from external contractors is required.
- 5.3 For supplies contracts under points 4.15, 4.16, 4.17 above, there are no alternative options available, Sandwell MBC's Asset Management and Maintenance teams require the items supplied on these tenders to undertake repairs to its housing stock.

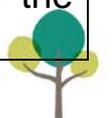
6 Implications

Resources:	<p>The proposed budgets for the following contracts: -</p> <ul style="list-style-type: none">• Internal Improvement Works 2023 – 2027 - £6m• Refurbishment of St Giles/Moorlands Court, Rowley Regis - £19.788m <p>Total - £25.788m</p> <p>are contained within the currently approved HRA Capital Programme, and it is anticipated that expenditure will be profiled as detailed in Appendix 1.</p> <p>The proposed budget of £3.18m (£795,000 per annum) for provision of Lift Maintenance Services is included within the following: -</p>
-------------------	---



	<p>Lot 1 High Rise – approved Housing Revenue Account Lot 2 Public Buildings and Schools – the Council’s annual building maintenance budget Lot 3 Residential – the Better Care Fund and the Housing Revenue Account</p> <p>The proposed contract values of £3.6m (£0.9m per annum) for electrical services, £2.4m (£600k per annum) for day to day repairs, £2.3m (£575k per annum) for the supply of electrical items, £6m (£1.5m per annum) for the supply of plumbing parts and £1.6m (£400k per annum) for the supply of building materials) are included within the approved revenue budgets for the ongoing repairs and maintenance of Housing Revenue Account owned properties.</p> <p>and it is anticipated that expenditure will be profiled as detailed in Appendix 1.</p> <p>Due to the contracts being an ongoing requirement to provide the service, the budget is maintained at this level each year to ensure the appropriate works can be carried out.</p> <p>The Council is currently undertaking a fundamental review of the HRA financial strategy and developing a comprehensive 30-year Business Plan. This will review the capacity within the HRA and the affordability of the investment programme in the longer term. However, the Capital Programme for 2023/24 approved by Cabinet and Council includes provision for the investment requirements set out in this report.</p>
Legal and Governance:	The contracts will all be procured and awarded in accordance with the Council’s Procurement and Contract Procedure Rules and Public Contract Regulations 2015.
Risk:	No risks
Equality:	Works will be undertaken to all properties where required and as such an assessment has not been undertaken.
<p>Health and Wellbeing:</p> 	<p>The work will ensure the buildings remain wind and weather tight as well as improving the thermal efficiency. Works will also enable the Asset Management and Maintenance Teams to quickly repair Sandwell MBC properties.</p>

	<p>The principles of Secured by Design and the environmental improvements to communal space on estates will help to protect the community.</p> <p>The award of the Lift Services contract will enable the Council to fulfil its duties to both residents and personnel by providing a complete 365 days, 24 hours emergency breakdown service. This will include weekends and bank holidays to all its lifts and lift equipment. It will additionally provide for the regular maintenance of the same to ensure compliance with all regulatory health and safety requirements.</p>
Social Value	<p>Social Value will be achieved through the inclusion of an Employment and Skills Plan (ESP) contained within the formal contracts with the successful contractors. The plan will include contractual performance indicators such as work experience placements, apprenticeships in addition to school engagement and community activities.</p> <p>The proposals contained in this report are entirely commensurate with the Council's climate change priorities and will help to support:</p> <ul style="list-style-type: none"> • Reduced carbon and greenhouse gas emissions • A reduction in fuel poverty • Improved health and wellbeing • Inclusive economic growth – reduced fuel bills should allow more money to be spent locally
Climate Change:	<p>Improved energy-efficiency of homes will reduce energy bills and help to address fuel poverty, allowing vulnerable residents to enjoy more comfortable lives.</p> <p>Energy efficiency measures will be incorporated into the internal improvement programme/refurbishment of St Giles/Moorlands Courts and can help demonstrate a firm commitment towards achieving carbon reduction targets and climate change initiatives.</p> <p>If the Council's ambitious climate change target to achieve carbon neutrality by 2041 is to be met, this type of intervention is necessary. The internal improvement programme/refurbishment of St Giles/Moorlands Courts projects will also help families who may be suffering from fuel poverty as they are currently living in some of the least energy-efficient houses in the Council's stock.</p>



7. Background Papers

Cabinet Report 18th October 2017 (Min 167/17)
Cabinet Report 18th April 2018 (Min 60/18)

8. Appendices



Appendix 1 Budget Profile

HRA Capital Funded Programme: -

Contract	Budget Line	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Internal Improvement Works	Housing Improvement	£1,375,000	£1,500,000	£1,500,000	£1,500,000	£125,000	£6,000,000
Refurbishment of St Giles/Moorlands Courts	High Rise	£6,925,800	£11,872,800	£989,400			£19,788,000
TOTAL							£25,788,000

HRA Revenue Funded: -

Contract	Budget Line	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
Lift Maintenance Services	Void Repairs	£0	£795,000	£795,000	£795,000	£795,000	£3,180,000
Electrical Services	North/South Responsive	£375,000	£900,000	£900,000	£900,000	£525,000	£3,600,000
Day to Day Repairs to Housing	North/South Responsive	£150,000	£600,000	£600,000	£600,000	£450,000	£2,400,000
Supply of Domestic Electrical Items	North/South Responsive/Void Repairs	£527,000	£575,000	£575,000	£575,000	£48,000	£2,300,000
Supply of Plumbing Parts	North/South Responsive/Void Repairs	£500,000	£1,500,000	£1,500,000	£1,500,000	£1,000,000	£6,000,000
Supply of Building Materials	North/South Responsive/Void Repairs	£333,333	£400,000	£400,000	£400,000	£66,666	£1,600,000
TOTAL							£19,080,000

