

Procurement of Lift refurbishment Programme and External Repairs and Decorations Programme

Overview & Scrutiny Panel **21 July 2020**

Report Author **Bob Porter, Head of Housing and Planning**

Portfolio Holder **Cllr Helen Whitehead, Deputy Leader and Cabinet Member for Housing & Community Services**

Status **For Decision**

Classification: **Unrestricted**

Key Decision **Yes**

Reasons for Key **An Executive Decision that involves incurring expenditure anticipated to be £250,000 or above.**

Previously Considered by **N/A**

Ward: **N/A**

Executive Summary:

This report will be presented to the council's Cabinet on 30 July 2020 to seek authority for the council to enter into two new contracts for works to its housing stock.

The works include:

- the full refurbishment of passenger lifts in seven council owned residential blocks, and
- a five year term contract for the completion of external cyclical decorations as required.

The values of both contracts are detailed in the report and exceed £250,000.

Recommendation(s):

OSP is asked to consider the report and make any comments that it would like the Cabinet to take into account at its meeting on 30 July 2020.

CORPORATE IMPLICATIONS

Financial and Value for Money

Housing Revenue Account revenue and capital budgets are reviewed annually and include provision for both external cyclical repairs and decorations and lift refurbishment.

There is sufficient funding within HRA balances and the HRA Major Repairs Reserve to fund the revenue and capital costs set out in this report.

	Detailed budgets will be reviewed and amended in line with the actual tendered costs of these works at the earliest opportunity.	
Legal	The council, as a landlord of residential buildings, has a statutory responsibility to ensure that they are properly maintained.	
Corporate	The council's Corporate Statement sets out its commitment to, 'Improve standards and safety in homes across all tenures.'	
Equality Act 2010 & Public Sector Equality Duty	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.	
	Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.	
	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	
	Foster good relations between people who share a protected characteristic and people who do not share it.	
	The council's tenants and leaseholders include residents that have protected characteristics as set out in the Public Sector Equality Duty. The completion of the works set out in this report will benefit all tenants and leaseholders, including those with protected characteristics.	

CORPORATE PRIORITIES (tick those relevant)	
Growth	
Environment	
Communities	✓

1.0 Introduction and Background

- 1.1 The council owns approximately 3,400 tenanted and leasehold homes. All costs, investment and income for these homes is managed with the council's Housing Revenue Account, and budgets for revenue and capital works are reviewed annually.
- 1.2 In addition to the annual review of revenue and capital budgets, key decisions are also required for any expenditure that:
- is for works or services that exceed £250,000, or

- is for a contract over a number of years with an expected value in excess of £750,000.

1.3 The letting of the contracts detailed in this report are therefore considered to be key decisions.

2.0 External Cyclical Decorations and Repairs

2.1 This is a programme of works to cover Thanet's Landlord obligations to maintain properties by carrying out cyclical external decorations to all Council owned residential properties which have decorated surfaces along with all internal common parts of block of flats. The procurement is for a contractor to cover the five year cyclical decorations programme and incorporates a break clause after the first three years with an option to extend for the further two years.

2.2 As part of the programme it will be necessary to initially carry out some making good and general repairs prior to decorating and this is allowed for within the tender documentation and pricing schedules. We envisage that around 25% of the value of this contract will be for making good works and the remaining 75% for re-decorations.

2.3 The procurement is via open tender and will be evaluated upon the most economically advantageous tender (MEAT). The terms of the contract will be under the JCT Measured Term contract 2016 with accompanying schedule of rates pricing document so that the tender can be used for the wide and diverse range of properties and works combinations across the Thanet housing stock and residential blocks.

2.4 The works planned for the coming 5 years have been valued at £1,028,895. Funding for this programme is included within the council's approved medium term HRA revenue budget. This budget is reviewed annually and projected forward for 5 years, giving the council the ability to vary the scope of works in line with the available resources and the need for external repairs and decorations.

3.0 Lift Refurbishment

3.1 The council has approved a capital budget for the refurbishment of the passenger lifts in seven residential blocks. The lifts in these blocks are 25 years old and the proposed refurbishments will extend their expected lifetime for a further 25 years. The seven blocks are:

- Staner Court
- Trove Court Evens
- Turner Court
- Brunswick Court
- Harbour Towers
- Kennedy House
- Janice Court

3.2 The approved capital programme currently includes £759,000 in 2020/21 for lift refurbishment, a figure that was based upon early estimates of the works required. However, more detailed work to assess and specify the work, using external lift consultants has revised the scope of works to include the complete renewal of a significant proportion of the component parts of each lift installation. The pretender

estimated cost is now £1.6m as a result. The additional scope of work will extend the life of the lifts as set out in 3.1 above.

3.3 The programme is therefore split into two phases. Phase 1, starting in 2020/21 at an estimated cost of £700k will include:

- Staner Court
- Trove Court Evens
- Turner Court

Phase 2 will start in 2021/22 at an estimated cost of £900k. Phase 2 will include:

- Brunswick Court
- Harbour Towers
- Kennedy House
- Janice Court

3.4 The evaluation of tenders will include both quality and cost analysis so that the council can select the more economically advantageous submission.

4.0 Next Steps

4.1 This report will be considered by the council's Cabinet at its meeting on 30 July 2020. Cabinet will be asked to agree the following recommendations:

1. The letting of the contract for the refurbishment of seven passenger lifts, as detailed in this report.
2. The letting of a term contract for the completion of a programme of external cyclical decorations, as detailed in this report.

4.2 Once approved, the council will be able to enter into contracts for the works set out above and agree detailed programmes and start dates with the chosen contractors.

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Annex List

None	N/A
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Background Papers

Title	Details of where to access copy
None	N/A

Corporate Consultation

Finance	Chris Blundell, Head of Financial & Procurement Services
Legal	Estelle Culligan, Head of Legal & Democratic Services