

Meeting of:	Cabinet
Date of Meeting:	Monday, 21 October 2019
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Housing Leaseholder External Works Scheme
Purpose of Report:	To advise Cabinet of the proposed contract award arrangements for the Housing Leaseholder External Works Scheme
Report Owner:	Cabinet Member for Housing and Building Services
Responsible Officer:	Miles Punter - Director of Environment and Housing Services
Elected Member and Officer Consultation:	Elected Members consulted - Cllr Margaret Wilson Officers Consulted- Housing Accountant Procurement Officer Leasehold Officer
Policy Framework:	This is a matter for Executive decision by Cabinet
Executive Summary:	<ul style="list-style-type: none"> This report brings to the attention of Cabinet the need to award the Housing Leaseholder External Works Scheme

Recommendations

1. That Cabinet notes the contents of the report, with a view to taking decisions on the award of the contract detailed within the Part II report later on this agenda.

Reasons for Recommendations

1. To advise of the current position with this particular WHQS maintenance contract.

1. Background

- 1.1 Between 2012 and 2018, the Council delivered a Major Improvement Programme to bring its housing stock condition in line with the Welsh Housing Quality Standard (WHQS).
- 1.2 During this period of time a range of homes within the Council's housing stock received internal and/or external improvement works to ensure they complied with the WHQS requirements.

2. Key Issues for Consideration

- 2.1 Following confirmation of the Council achieving the WHQS in 2018 the authority has now moved into the maintenance phase of WHQS. As a result there are a number of components will continue to deteriorate and age and will need replacing to maintain the Welsh Housing Quality Standard, some of which have been identified for replacement/refurbishment during 2019/20. There are a range of WHQS external maintenance works which have been identified on leasehold blocks and this includes the installation of external wall insulation (EWI) as a preferred solution to help improve the properties thermal efficiency and eradicate building defects which promote condensation or damp.
- 2.2 The Housing Development and Investment Team has identified a package of works at 27 Blocks of flats, which consists of the installation of EWI and associated works including: the extension of roof verges, replacement of fascia's, soffits and rainwater goods, asbestos removal and alterations to gas flues.
- 2.3 Within 21 of the 27 blocks identified as requiring works, there are 21 leaseholder properties. The blocks contain between one to three leaseholders within a block of four. Consequently, all work to these flats have been subject to the

requirements of Section 20 of the Landlord and Tenant Act 1985 (revised under Section 151 of the Commonhold and Leasehold Reform Act 2002).

- 2.4 Prior to tendering these identified works it is necessary for the Council to follow requirements set out in law which protect leaseholder's rights during the procurement of building maintenance/refurbishment work. Subsequently, 'Section 20' letters were provided to all Leaseholders, notifying them of our intention to undertake repair and improvement works to the blocks their properties are located.
- 2.5 During the 30 day consultation period, one leaseholder nominated a contractor who was subsequently notified of the tender being published through Sell2Wales and were invited to submit a tender for the works.
- 2.6 The Housing Development & Investment Team, tendered the work through Sell2Wales seeking to appoint the contractor offering best value for money. The 'Invitation to Tender' (ITT) sought a single principal contractor to deliver the scheme. The successful contractor being appointed following a two stage assessment, with stage one being a Pre-Qualification Questionnaire (PQQ) and the second stage being awarded on 'Value for Money' (Price and Quality).
- 2.7 An invitation to tender was published on Sell2Wales with a closing date of 27th March, 2019. Five tenders were received and are identified below:

R & M Williams Ltd.
SAM Drylining Ltd.
SMK Building and Maintenance Ltd.
Sustainable Building Services (UK) Ltd.
Thomas CMS Holdings Ltd.
- 2.8 All contractors passed the prequalification questionnaire process; all scoring above 81. All five contractors were then assessed on stage two of the process, where scores were based on 60% for price and 40% for quality.
- 2.9 Details of the tender outcomes are set out in the part two report.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1 Looking to the long term - As a result of the installation of external wall insulation (EWI), replacement of soffits, fascias and RWGs on our housing stock will maintain the life and quality of our properties as well as providing energy efficient homes for our tenants and leaseholders for future years.

- 3.2** Taking an integrated approach - The procurement of the Housing Leaseholder External Works Scheme was undertaken via consultation with our Tenants Quality Design Forum and the Leasehold Officer.
- 3.3** Involving the population in decisions - During the procurement of the Housing Leaseholder Works Scheme a representative of the Housing Quality Design Forum and the Leasehold Officer was kept abreast of the tender process and at interview stage were able to question the potential winning contracts about issues that are important to tenants and Leaseholders when contractors work within their homes.
- 3.4** Understanding the root causes of issues and preventing them - As a result of contracting a competent principal contractor and sub-contractors to install the external wall insulation system this should minimise the risk of poor workmanship, latent defects and ensure a quality product is installed on our housing stock to last the duration of the product guarantee.
- 3.5** This proposal will meet:
Well-being Outcome 1: An inclusive and safe Vale
Objective 2: Providing decent homes and safe communities
Action: Increase the number of sustainable, affordable homes. (2019/20)

4. Resources and Legal Considerations

Financial

- 4.1** Full financial details will be addressed in the Part II Report included on the Agenda.

Employment

- 4.2** There are no other resource issues to report

Legal (Including Equalities)

- 4.3** There are no legal issues to consider. All works will be carried out in accordance with Section 151 of the Commonhold and Leasehold Reform Act 2002, Building Regulations, the Construction Design and Management Regulation 2015 and the Party Wall Act 1996.
- 4.4** In terms of equalities, there will be limited training opportunities offered as part of the scheme.

5. Background Papers

None.