

Report to Cabinet

29 September 2021

Subject:	Refurbishment of Low Rise Blocks of Flats – The Lakes, Lion Farm
Cabinet Member:	Cabinet Member for Housing, Councillor Zahoor Ahmed
Director:	Director of Housing Gillian Douglas
Key Decision:	Yes Above £250,000 threshold
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1 Recommendations

- 1.1 That approval be given to authorise the Director of Housing to award a contract for the refurbishment of low rise flats at The Lakes, Badsey Road, Lion Farm, Oldbury to Lovell Partnerships Limited, for the sum of £10,962,999.41 and for a period of 86 weeks, from November 2021 to June 2023.
- 1.2 That the Director – Law and Governance and Monitoring Officer be authorised to enter into an appropriate contract for the Refurbishment of Low Rise Blocks of Flats – The Lakes, Badsey Road, Lion Farm, Oldbury with Lovell Partnerships Limited.
- 1.3 That any necessary exemptions be made to the Council’s Procurement & Contract Procedure Rules to enable the course of action referred to in 1.1 above to proceed.




- 1.4 That resources of £1.096m are allocated from the balance of receipts generated for 1-4-1 housing replacement from the sale of council properties under Right to Buy.

2 Reasons for Recommendations

- 2.1 This report seeks approval to award the contract to undertake the Refurbishment of Low Rise Blocks of Flats at The Lakes to continue the substantial investment in the Council's housing stock. The contracted works will deliver an upgrade to the 5 blocks and 20 new units of social housing by adding an extra storey to each block.

3 How does this deliver objectives of the Corporate Plan?

	<p>Quality homes in thriving neighbourhoods. This contract will provide a complete transformation of the existing buildings creating dwellings that will meet people's needs, in addition to providing 20 new affordable homes. The external walls of the blocks will receive rain screen cladding that will conform with all relevant regulations. This treatment will not only improve the look of the block but will also improve energy efficiency which will assist in lowering tenants' fuel bills. The environment around the block will be modernised to provide much needed car parking as well as a more aesthetically pleasing area.</p> <p>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.</p>
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4 Context and Key Issues

- 4.1 The Council is seeking to appoint a contractor to undertake the Refurbishment of Low Rise Blocks of Flats – The Lakes for a contract period of 86 weeks, from November 2021 to June 2023.



- 4.2 The Lakes are within the Langley ward.
- 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 our existing stock.
- 4.5 This scheme comprises the alteration and refurbishment of 5 low rise blocks of flats including the construction of an additional storey to each block providing an additional 4 x 2-bedroom flats per block. In addition there is a 6th block and the contract will include alteration and refurbishment of that low rise block of shops and flats.
- 4.6 The 5 existing 3 storey blocks, each made up of 12 x 2 bedroom flats are to be converted into 4 storey blocks of 2 bedroom flats. The total number of flats in these 5 blocks will therefore increase from 60 flats to 80 flats. The works include: new front and rear entrance canopies; 2 new lifts to each block; construction of a new 3rd floor to form 4 new flats per block; modifying and extending staircases; internal works, including fire precaution works to communal areas; minor internal works to the flats; remedial structural works; new pitched roof; full height rain screen cladding; replacement external windows and doors; hard and soft landscaping; mechanical and electrical installations; new incoming services.
- 4.7 The 6th block which is a 3 storey block of 6 shops and 6 x 3 bedroom flats is to receive a new entrance canopy; works to communal areas including fire precaution works; minor internal works to the flats; remedial structural works; new pitched roof; full height rain screen cladding; replacement external windows and doors; minor hard and soft landscaping; mechanical and electrical installations; new incoming services. No new units of housing will be added to this block.



- 4.8 The project aims to provide modern council owned accommodation to a high standard suitable for rent to council tenants and will provide an additional 20 new affordable homes.
- 4.9 In order to comply with the council's Procurement and Contract Procedure Rules, tenders were invited using the Homes England framework agreement. This ensured that only contractors with suitable refurbishment experience were invited to tender.
- 4.10 Expressions of interest were published via the Homes England framework in June 2021, to which 3 responses were received.
- 4.11 Invitations to tender were issued in June 2021 and 2 tenders were received.
- 4.12 The Procurement Business Partner has been consulted and their advice is that an exemption is required as a result of fewer than three tenders being received from advertisement through the Council's procurement portal. This is in accordance with Procurement and Contract Procedure Rule 8.10.
- 4.13 In accordance with the Council's Procurement & Contract Procedure Rules (Rule 15) an exemption from any rule for a contract above £250,000 must be approved by Cabinet.
- 4.14 The two compliant tenders received have been evaluated in accordance with the criteria stipulated within the tender documentation, 80% Price and 20% Quality.
- 4.15 The Contractor with the winning submission is Lovell Partnerships Limited.

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.



6 Implications

<p>Resources:</p>	<p>The cost of the refurbishment of the Lakes blocks is £8.173m and will be funded from within currently approved HRA budgets. These budgets were approved by Cabinet in October 2017 with allocations against High Rise and Low Rise improvement works. The borrowing cost associated with this is included within existing HRA budgets.</p> <p>The cost of the additional 20 flats on top of the existing blocks is £2.790m. This is an average of £140k per flat. If there is no other funding available, then the repayment period of this would be 42 years. However, there is a balance of £6.1m of Right to Buy 1-4-1 replacement receipts available that can fund 40% of the scheme costs. By including funding of £1.116m the repayment period of the borrowing would be reduced to 28 years and is within the 40 year time period used for new build repayments on previous projects.</p>
<p>Legal and Governance:</p>	<p>This procurement has been undertaken via the Delivery Partner Panel 3 framework as maintained by Homes England and following approval the contract will be awarded in accordance with the council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015</p>
<p>Risk:</p>	<p>No Risks</p>
<p>Equality:</p>	<p>Works will be undertaken to all properties where required and as such an assessment has not been undertaken. To improve accessibility, 2 new lifts will be installed per block making the properties more accessible to disabled residents and families with young children.</p>
<p>Health and Wellbeing:</p>	<p>The work will ensure the buildings remain wind and weather tight as well as improving the thermal efficiency.</p>



<p>Social Value</p>	<p>Social Value will be achieved through the inclusion of an Employment and Skills Plan (ESP) contained within the formal contract with Lovell Partnerships Limited. The plan includes contractual performance indicators such as work experience placements, apprenticeships in addition to school engagement and community activities.</p> <p>Lovell Partnerships Limited, through their tender submission, welcome the opportunity to further provide substantial benefits to the Lion Farm, Oldbury and Sandwell (SMBC) community. They will continue to develop their 16-year long partnership and collaborate with SMBC to achieve and exceed your social value objectives and provide resources to deliver measurable benefits. The Lovell Legacy will continue to flourish within the Sandwell community, through the continuation of social value activities improving employment and training opportunities and look to reduce environmental impacts.</p> <p>Local Labour - on their current Sandwell contracts, 100% of workforce live within 25 miles of the office and 45% within the Borough of Sandwell.</p>
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7. Background Papers

None



8. Appendices

Tender results: -

SMBC 20088 Lion Farm – The Lakes				
	Price Score	Quality Score	Total	Rank
Lovell Partnerships Limited	80.00	18.00	98.00	1 st
Contractor B	74.09	14.00	88.09	2 nd

