

Report to Cabinet

7 February 2024

Subject:	Social Housing Decency Funding Grant
Cabinet Member:	Cllr Laura Rollins Cabinet Member for Housing and Built Environment,
Director:	Dean Epton Interim Director of Housing,
Key Decision:	Yes Value of grant award – Urgent item report
Contact Officer:	Philip Deery Assistant Director Building Safety & Compliance, phil_deery@sandwell.gov.uk Sarah Ager Assistant Director Asset Management and Improvement Sraah_ager@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to draw down the offer of £2.1m of Capital Grant Funding from the Department for Levelling Up, Housing, and Communities (DLUHC);
- 1.2 Approval be given to enter into the following new contracts to deliver the works as part of the grant funding:
 - Internal environmental monitoring
 - Specialist expert intervention to eradicate damp and mould
 - Replacement soil stacks
 - Installation of ventilation and heat recovery



- 1.3 That delegated authority be given to the Interim Head of Contract Procurement, in consultation with the Interim Director of Housing, Interim Section 151 Officer and Assistant Director for Legal and Assurance to make amendments and changes to the extensions and / or processes described in this report in order to give effect to the decisions at 1.2;
- 1.4 That the Interim Director of Housing, in consultation with the Interim Section 151 Officer, be authorised to prepare tendering documentation and to procure one or more 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 undertake work to resolve damp and mould related issues in our Housing stock;
- 1.5 That the Interim Director of Housing be authorised to award the contracts, as referred to in 1.4, to the successful contractor(s);
- 1.6 That the Assistant Director for Legal and Assurance be authorised to enter into or execute under seal any documentation in relation to the award of the contracts;
- 1.7 That any necessary exemption be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in 1.2 and 1.4 to proceed.

2 Reasons for Recommendations

- 2.1 The Minister of State for Department for Levelling Up, Housing & Communities (DHLUC) has made capital grant funding available to support Local Authorities and / or social housing Registered Providers in the West Midlands Combined Authority and Greater Manchester Combined Authority area towards expenditure lawfully incurred or to be incurred by them related to improvements in the physical decency of their properties, with a focus on serious (e.g. category 1) hazards including damp and mould.
- 2.2 There is no requirement for match funding and all work is intended to be fully funded from this grant.
- 2.3 The use of grant funding is not prescriptive and organisations can choose how to utilise funding to address damp & mould related issues. DLUHC are seeking projects that deliver additionality to existing




investment plans and innovation in the form of new work not previously identified.

- 2.4 A number of contracts have been awarded that will enable us to deliver the additional works that the grant can facilitate. There are some contracts that will need procuring via a suitable framework to be awarded as pragmatically as possible.
- 2.5 We will need to procure contracts to deliver the following areas of innovation and delivery:
 - 2.5.1 Internal environmental monitoring
 - 2.5.2 Specialist expert intervention to eradicate damp and mould
 - 2.5.3 Soil stack replacement
 - 2.5.4 Electrical ventilation and heat recovery
 - 2.5.5 These four projects will be soft market tested through appropriate frameworks to find the optimum innovative solution to procure.
- 2.6 In terms of properties that will be targeted with the grant funding:
- 2.7 We have identified over 500 properties where residents have reported damp and mould that has subsequently been categorised as a potential category 1 hazard, ongoing internal environmental monitoring can help to mitigate against the issue reoccurring.
- 2.8 From the 500 plus properties referred to above we will select those that will benefit from improved ventilation and anticipate that list will continue to grow.
- 2.9 We have full details for our soil stack replacement requirements and we have identified that meets the criteria that can be completed in 2024 – 25.
- 2.10 We have yet to identify suitable properties for mould eradication but anticipate the 500+ properties referred to above would be our priority.



- 2.11 DLUHC have given WMCA a target date for delivery of 31st March 2024. Sandwell MBC have confirmed that this is not achievable. This has resulted in DLUHC giving WMCA delegated powers to administer the grant and a local agreement has been made between WMCA and Sandwell MBC. The delivery plan produced (Appendix 1) has been shared with WMCA to define how maximum grant spend would be achieved to give assurances that we have a robust plan to deliver the £2.1m.
- 2.12 Within the West Midlands Combined Authority area there are 7 organisations identified as potential recipients of the grant funding.
- 2.13 Although Manchester has sought bids from interested organisations WMCA have agreed with DLUHC that their allocation will be a direct award the 7 partners identified with each receiving an initial allocation of £2.1m.
- 2.14 We continue to determine the financial split between each measure and retain the option to be flexible in our approach dependant on the relative successful delivery of each area of intervention.
- 2.15 Locally, the overall project will be monitored through our Major Capital Works Project Board monthly meetings and once agreed by the board those reports will forwarded to WMCA.
- 2.16 WMCA have yet to confirm the reporting arrangements for DLUHC.
- 2.17 WMCA have engaged with a research partner to carry out a study of the benefits derived from this grant award and DLUHC intend to use the final report as a potential basis for future grant funding awards.

3 How does this deliver objectives of the Corporate Plan?

	<p>People Live Well and Age Well This grant will help tackle damp and mould in the home which can lead to residents developing health conditions and it can exacerbate symptoms for those living with certain medical conditions.</p>
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Quality Homes in Thriving Neighbourhoods

This grant will support allow Sandwell MBC to continue to maintain, upgrade and invest in its housing stock as and when required, in line with the Decent Homes Standard and regulatory requirements.

4 Context and Key Issues

- 4.1 Sandwell has an aging stock and as a result there have been issues related to damp and mould for many years. This issue gained a national focus following the inquest into the death of Awaab Ishak, a two-year-old who died in December 2020 from a respiratory condition caused by "extensive" mould in the family home in Rochdale.
- 4.2 Since then there has been a significant increase in customer demand around damp and mould in the last 12 months.
- 4.3 We have created a virtual team to provide a focus on our response to reports of damp & mould, and as a result of the teams work we have a clearer understanding of the measure we should prioritise in Sandwell to alleviate the situation.
- 4.4 Improving ventilation – we have identified a need to provide better ventilation systems that are cost effective for residents. Surveys of our homes have identified this as a high priority but we are currently unable to meet the demand using existing resources, therefore the grant funding will enable us to deliver this improvement to homes much sooner than is currently planned.
- 4.5 We have an existing soil stack replacement project that is on hold as the budget has been expended for the current year. This project is targeting failing cast iron soil stack in our flatted accommodation. Once again, the grant funding will enable us to deliver this improvement to homes much sooner than is currently planned.
- 4.6 We have considered new technologies as a potential solution for the future, particularly the ability to monitor internal environments in the home and better inform our understanding of severe cases of damp & mould and better inform residents about the potential causes of damp &



mould. Current investment priorities prevent us from investing in this area, so the grant funding will enable us to technology to provide more detailed insight into the root cause of the damp & mould.

- 4.7 There are a number of companies who provide insurance backed mould eradication treatments. The grant funding would give us the opportunity to look to engage suitable companies in this area to assess the value this option provides when compared with our current approach to the treatment of damp & mould.
- 4.8 The timescales for delivery have been discussed with WMCA and they have confirmed that there will be flexibility beyond the initial 31st March deadline. There is a focus on the new procurement projects and an intention to utilise existing contracts where appropriate to demonstrate progress and our commitment to this funding programme. The procurement project plan in Appendix 1 shows the intention of delivery.

5 Alternative Options

- 5.1 Sandwell does not have to draw down the grant funding offered. If we do not, it will be offered to other Local Authorities.

6 Implications

<p>Resources:</p>	<p>The £2.1m grant available does not require additional funding from Sandwell. Any additional SMBC staffing resources needed to deliver the work will be funded from the £2.1m grant.</p> <p>There is potential of additional funding should any of the other 6 partners fail to utilise the grant funding and therefore there may be a surplus in the overall grant that will need to be used. This will not require additional funding from Sandwell.</p>
<p>Legal and Governance:</p>	<p>The Council has power to enter into contracts under its powers of general competence under s.1 of the Localism Act 2011 and none of the limitations to this power apply to this decision. The contracts discharge</p>



	<p>a range of statutory functions imposed or contractual obligations on the Council and the Council may be at risk of legal action if it stops the delivery of those services.</p> <p>Local authorities have numerous statutory duties as a residential landlord including requirements to undertake consultation under s.20 of the Landlord and Tenant Act 1985 and Service Charges (Consultation Requirements) (England) Regulations 2003 and must design the procurement process accordingly.</p> <p>Procurement of works and services through a competitive process, compliant with the Public Contracts Regulations 2015 (PCR2015) must meet the advertising requirements such as publication of a Contract Notice. PCR2015 applies to all the Council's contracts for services valued above £213,477 and where the object of the procurement is predominantly construction above £5,336,937 (figures inclusive of VAT). An appropriate procedure as set down in PCR2015 needs to be selected. Compliance with PCR2015 will result in a lawful procurement strategy and shall meet the requirements of the Councils' Contract and Financial Regulations.</p>
Risk:	<p>Contractors' supply chains and capacity are challenging and could present a challenge in meeting our deadlines. We will work openly with suppliers to programme the work as expediently as possible appreciating there are resource and capacity pressures within the market. The additional time flexibility from WMCA supports this approach and the ability to procure optimal contracts.</p>
Equality:	<p>The interventions listed will help remove damp and mould conditions that can affect vulnerable residents.</p>
Health and Wellbeing:	<p>The proposal will significantly improve the health and wellbeing of the residents living in homes with severe damp and mould.</p>
Social Value:	<p>Each contract that is procured includes a Social Value Action Plan. Specific targets related to the contract are agreed to drive economic benefit, improved employment opportunities and align to the Council's Corporate Parenting strategy.</p>



	Social Value Action Plans are monitored through the contract term to ensure outcomes are achieved.
Climate Change:	New technology will identify areas where residents can benefit from deduced heating demands in the home. All contracts have sustainability principles around energy efficiency will be embedded within the Contract Specification, bringing broader benefits to residents around energy costs and healthy living.
Corporate Parenting:	All future procurement exercises will properly consider how we can best support Corporate Parenting ensuring that outcomes are agreed, monitored, and delivered, improving the lives of people across our Borough.

7 Appendices

7.1 Appendix 1 - Procurement Project Plan with indicative spend values.

8 Background Papers

8.1 None

