

CABINET

Date of Meeting	Wednesday, 25 th September 2024
Report Subject	Capital Works – Procurement of WHQS Internal Works to Council owned properties. (Kitchens and Bathrooms)
Cabinet Member	Cabinet Member for Housing
Report Author	Chief Officer (Housing and Communities)
Type of Report	Operational

EXECUTIVE SUMMARY

The report seeks approval from members, to appoint Seddon’s Ltd as contractor; after a Mini-Competition, through the Procure Plus Framework, to carry out Whole House Internal works to approximately 400 properties over the next two financial years. This work continues the second tranche of planned capital improvements to ensure the council’s rented homes continue to meet the new WHQS2023 standard and all legislative requirements.

RECOMMENDATIONS

1	Cabinet approve the Award of Seddon’s Ltd, to carry out the Whole House Internal work programme, through the Procure Plus framework.
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REPORT DETAILS

1.00	BACKGROUND & OVERVIEW
1.01	In 2014, Flintshire County Council (FCC) embarked on an ambitious project to deliver the Welsh Quality Housing Standard (WHQS) to all of its homes by 2020. Based on a stock condition survey the programme included internal improvements with new kitchens and bathrooms being installed where needed. The target completion period for this project was December 2020, however, the pandemic delayed this considerably.
1.02	This programme reached its conclusion in December 2021, after an extension of time was granted by the Housing Minister at the Welsh assembly.
1.03	After a reduction in work orders, the outgoing contractor; ENGIE Ltd, decided not to continue working with the Council as the lower level of properties meant they could not keep their costs competitive and, as such, could not keep to the tendered rates. This contract expired in 2022 and has now been reprocured.
1.04	In the last two years, the Capital Works team has been working to survey and scope a number of properties, with a view to creating a new 'bank' of properties, which could be used to tender a new contract. This has been completed and highlighted over 400 properties which will need investment works over the next two years.
1.05	FCC has a primary responsibility to ensure all Housing Revenue Account (HRA) owned housing stock is maintained to the new WHQS2023 standard moving forward.
1.06	The new 30-year business plan has already been agreed with members and was subsequently approved. This will ensure the relevant funding/resources are available to invest in the council's homes moving forwards.
1.07	To ensure FCC achieves full value for money and secures both labour and material resources post Brexit and post pandemic, the Capital Works Team advise the Council to continue using the Procure Plus framework for these large contracts of work. This will bring significant savings on the existing costs and will be an effective and compliant route to market.
1.08	Having completed a detailed Mini-Competition through Procure Plus, Seddon's have emerged as the most financially advantageous bidder in this process. This market tested competition assures the Council of the best market rates and, it is therefore intended, to award this two-year phase of Internal Improvements to Seddons.

1.09	It is proposed the contracts awarded will be a 2+1 year JCT Measured Term contract or the standard Procure Plus form of contract with standard break clauses in the event of poor performance.
1.10	Estimated overall value of the contract is £4m for the two years.

2.00	RESOURCE IMPLICATIONS
2.01	Appropriate Officers from the Capital Works team have been involved in the procurement process.
2.02	Annual budgets are set and approved annually by Cabinet members.
2.03	Budget will be made available through the 30 year business plan.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	No involvement required for this mini-competition.

4.00	RISK MANAGEMENT
4.01	Failure to maintain WHQS2023 would be damaging to FCC's reputation. This scheme will ensure that the maximum number of properties maintain this standard – reducing the number of costly and more expensive reactive repairs and potential disrepair claims.
4.02	Failure to maintain WHQS2023 could leave the Council at financial risk under the new Renting Homes (Wales) Act, as Contract Holders could legally withhold rent.

5.00	APPENDICES
5.01	N/A

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer – Vinny Thornton Job Title – Capital Works Team Manager Telephone - 07827 307433 Email – vinny.thornton@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Capital Programme - The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>OJEU (Open Journal of the European Union). This is the EU regulation which governs procurement and buying throughout the entire European Union.</p> <p>WHQS2023 (Welsh Housing Quality Standard) – The Welsh Government's new standard for housing in Wales; released in October 2023. This replaced the old WHQS standards and includes additional measures.</p>