

Portfolio Holder for Housing

Item

2 November 2020

Report of	Assistant Director of Place & Client	Author	Clare Lawrance
Title	Award of Contract Arrangement for Works in the 100 Homes Project		
Wards Affected	All wards		

1. Executive Summary

- 1.1 At the September 2020 Cabinet meeting it was agreed that the Council would acquire an additional 100 affordable homes using Housing Revenue Account (HRA) funding. In addition, as part of the Council commitment to the Climate Emergency Declaration, the Council agreed to install carbon reduction measures into acquired homes prior to their first occupation, in order to improve their energy performance rating to a "B".
- 1.2 This report seeks approval of a variation to an existing contract to fulfil the requirements of the 100 Homes Project approved by Cabinet on 2nd September 2020 and undertaken the energy improvement works for those 100 properties upon acquisition.

2. Recommended Decision

- 2.1 To agree the issuing of a side letter to the existing "Voids" contract with Breyer dated April 2019, which will not include any explicit commitment to either a number of properties to be included in the project or a value but will give an indicative budget commitment and specify the overall project aims to be achieved within that budget.

3. Reason for Recommended Decision

- 3.1 The Council's "voids" contract, which repairs vacated properties and brings them back into use by a new tenant, commenced April 2019 and is a 2+1 year contract (2 years, with an option to extend for an extra year with good performance). There is no value specified in the contract. However, the value of works commissioned in previous years was provided in the procurement exercise giving an indication of the volume and type of work expected. This volume had not been achieved in 2020 due to a significant reduction in turnover of tenancies due to Covid19. The addition of this new workstream will support the continuation of the main "voids" contract with a slightly different type of work to bring the properties back into use by new tenants.

4. Alternative Options

- 4.1 Appoint a new contractor specifically for this work: Consideration was given to commencing a new procurement exercise. However, it was more expedient to make use of an existing contract arrangement, given the requirement to deliver this project efficiently and the combination of multiple contractors would complicate and delay the turnaround of vacated properties unnecessarily.

5. Background Information

- 5.1 The “100 Homes” Project was approved by Cabinet in September 2020. The Project sees former Council homes purchased from the open market and refurbished to a) the Council’s own re-let standard and b) to an average EPC rating of B. The project is part of the Councils ongoing programme to deliver 350 additional affordable homes, owned by the Council, by the end of 2024.
- 5.2 The proposed works to these properties further supports achievement of the Council’s Carbon Reduction ambitions. This requires a change to current practice ensuring that all housing stock is upgraded to high energy standards as well as thinking holistically to consider affordable and renewable energy supplies. The Council declared a Climate Emergency in 2019 committing us to achieve zero net carbon by 2030.
- 5.3 Currently CBC is using a hybrid of energy supply within works packages: solar Photo Voltaic panels and Air Source Pumps. Heat pumps provide energy through air circulation, much like an air conditioner but providing heat. The benefit of this technology is lower energy use as compared to a conventional boiler. The return on investment occurs in year 12, making it a sound investment for housing stock maintained over the long term. Upgrading the fabric of a home includes items such as: insulation; double glazing of windows and sealing off any drafts. Together, this ensures that heat is retained and lowers the cost of energy use.
- 5.4 The new build properties in the Council’s New Housing Programme are being built to the future homes 2025 standards and employ the use of air source heat pumps, solar LPV, and other energy efficiency building standards such as good insulation and glazing. The retrofitting of energy performance improvement in acquired homes also ensures that these new homes will be contributing to the Councils carbon reduction commitments. In addition, the existing housing stock, of nearly 6,000 homes, has an average rating of “C”; so bringing these 100 homes up to a “B” will be better than the current stock.
- 5.5 Additional plans are being put in place (Cabinet Meeting on 23 November) to start to improve some of our least energy efficient homes and bring them up from poorer EPC ratings to higher B ratings. An investment of over £4m is being sought now, as well as a bid being made to the Decarbonisation of Housing Fund, and the 2021 review of the HRA Business Plan and Asset Management Strategy will start to look at future investment of a similar nature.

6. Equality, Diversity and Human Rights implications

- 6.1 The works covered by this project will reduce fuel poverty for tenants, increase levels of thermal comfort and reduce health inequalities e.g. higher levels of asthma and other health conditions linked to living environment.
- 6.2 The Equality Impact Assessment for the Council’s Asset Management Strategy is [here](#).

7. Strategic Plan References

- 7.1 Wellbeing - Increasing supply of affordable housing is a priority as well as targeting support to the most deprived residents.

8. Consultation

8.1 None.

9. Publicity Considerations

9.1 There are likely to be opportunities for positive press coverage of the Council's a) commitment to increasing affordable housing supply and b) improving the environmental efficiency of council tenants' homes.

10. Financial implications

10.1 The contract arrangement being proposed is within the Budget approved by Cabinet on 2nd September 2020.

11. Health, Wellbeing and Community Safety Implications

11.1 The package of work covered by this contract arrangement will have a myriad of benefits for individuals and the wider community. For example, where external cladding is renewed this will have benefits for the overall appearance of the area.

12. Health and Safety Implications

12.1 The arrangements for Health and Safety within the current voids contract will apply to this workstream.

13. Risk Management Implications

13.1 Contracts have individual risk management measures, including a risk register.

14. Environmental and Sustainability Implications

14.1 This contract arrangement will have a range of beneficial impacts for individual tenants including lower fuel bills and improved levels of thermal comfort.

Appendices

None

Background Papers

None