

Appendix A2

Housing Investment Plan (HIP) – 2020/21

Introduction

This report sets out the capital and revenue budget for investment in our homes for 2020/21. There is a detailed list of the ongoing projects and works programmes and the budget requirements, and there is also a list of key procurement projects that will be needed to deliver the programme.

Assumptions in the 30 year HIP are held in the Housing Revenue Account (HRA) Business Plan around future investment requirements to meet the replacement dates and condition needs of our homes. This programme is entirely funded from the ring fenced HRA. The repair and improvement of existing homes is planned using comprehensive house condition and energy performance data, building element life-cycles and accurate costings. Investment planning aims to ensure repairs and replacement of key building elements is undertaken in a timely way so homes continue to meet the government's Decent Homes Standard (currently more than 95% of our homes meet this standard), as well as improvements to our homes. The plan also focusses spend on tenants' priorities such as affordable warmth, kitchens, and health and safety. The budget proposal for 20/21 includes for normal investment and improvement in our homes, key changes in programmes proposed are highlighted below.

Our approach to long term budget forecasting has been revised, and we commissioned Savills to review both the plan and the approach, and they have concluded that our stock condition information is good, and there is a logical, evidence based approach to our plans.

However, the investment assumptions in the HRA BP are set to be challenged over the coming months –

- a comprehensive review of the HRA BP is underway
- we are using a strategic asset management tool to assist in identifying homes which are better/ poorly performing
- Further proactive structural assessments of our blocks are planned to improve confidence in the investment needs of these homes.
- condition and standards for our homes will change – in response to both the outcomes of the Grenfell enquiry and the city's aspiration to be carbon neutral by 2030

Significant changes

There are significant changes over the coming months, which will result in a re-evaluation of investment proposals.

High Rise blocks

Investment needs in our blocks of flats is high. The council owns and manages 62 high rise blocks, and 450 other blocks of flats. We have a large stock profile that is of non-traditional construction that has had cladding improvements over the years. Properties with older cladding will need to have this repaired or replaced, particularly the high rise blocks where this needs to be in good condition in order to continue to be safe. We will

also be continuing our investment in fire safety works and we are monitoring the findings and recommendations from the Grenfell Inquiries, as well as our own Fire Risk Assessments and independent checks. Proposals from the Hackitt Review for High Rise Residential buildings are ensuring that social landlords view high rise buildings as different to other stock types. Finally, further proactive structural assessments of our blocks are planned. These changes will all contribute to both improved confidence in the investment needs, and revised standards in terms of investment, compliance and management of these homes.

Asset Performance Evaluation

We have further appointed Savills to work with us to use our business data to evaluate our homes – using Savills Housing Asset Performance Evaluation (SHAPE) tool. The tool considers a range of business intelligence and assumptions, including income forecasts and capital investment need per property, as well as social factors such as demand, crime, etc. The initial findings, due later this year, will indicate our better and poorer performing homes not just in a financial context but also in meeting our housing objectives. This will aid us in our strategic decision making in the future. We need to invest in homes with a sustainable future, and identify those homes and areas where alternative options need to be explored to improve the homes we offer, including estate regeneration. The investment plan for 20/21 has been based on current investment needs, and as we evaluate performance of our homes over the coming months, and appraise the outcomes, we will develop new strategic investment priorities.

Carbon neutral

The Investment Plan for 20/21 is based on continuing to work towards a target for all council homes to achieve a minimum Energy Performance Certificate (EPC) rating of C by 2030. (Our current EPC average rating is C, and 27% of our homes do not achieve C currently). In response to the Mayors declaration of a Climate Emergency, and the aim for the city to be net-zero carbon by 2030, the Council has commissioned a study on what actions are needed to achieve this, with a particular section focussing on council housing. As a landlord, we are strategically placed to have a direct impact on carbon reductions. The study commissioned is bringing external expertise on the options and opportunities for council housing, as well as costs and funding possibilities. The findings are due at the end of 2019, and will inform our evolving investment priorities and plans. Our priority will be to focus on reducing fuel poverty and tackling the worst performing properties first. This will be aligned to the SHAPE modelling described in point 5].

The City Leap Energy Partnership

This is a huge opportunity for council housing, bringing investment, technology and creative solutions to meeting our energy reduction objectives. Through the procurement process for City Leap we will engage and work through the challenges to ensure tenants' rights and standards are protected, fitting it in with our asset strategies and ensure we achieve value for money and the best opportunities for energy efficient homes.

Review of the HRA BP

A comprehensive review of the assumptions and allowances in the HRA BP is underway, working with external HRA experts. The reviews to the HRA BP will work together with the emerging changes to investment priorities; the process is iterative as we consider how much we need to spend on our existing homes within the context of funding available to invest. The conclusions of this work could be that some existing homes do not have a sustainable future.

HRA Investment Proposals 20/21

Capital / Revenue	2020 / 2021 Budget
Capital	£33.0m
Revenue	£33.0m
Total	£66.0m

These figures do not include budgets for new build, or acquisitions.

See spreadsheet below detailing budget requirements, and deliver proposals is appended.

Key points

1. The budget proposal for 20/21 has changed since the indicative budget for the same year presented as part of the 19/20 budget setting.
 - Construction costs have risen significantly and these costs are reflected in the budget proposals for next year
 - Contracts for replacement kitchens and rewires have ended, a temporary arrangement is in place and estimates for the new contracts are higher.
 - Contractual arrangements for delivery of Responsive Repair service, and works at relets are changing – the estimates for the new contracts are significantly higher, based on market rates.
 - Additional costs are included for repairs to garages, this investment brings significant additional revenue to the HRA

2. The plan shows continued investment in our homes to
 - a. Continue to ensure our homes are decent – warm, weathertight and modern
 - b. Ensure our homes meet safety standards
 - c. Ensure communal facilities in our blocks are safe and in good condition

Procurement Summary – 2020/2021

Much of the Housing Investment Programme is delivered via our in house workforce or existing contracts and frameworks previously approved. Over the coming year some contracts will expire or new contracts will need to be procured to deliver the works programmes arising from the agreed HIP. The table below provides a summary of the required main procurement activity during the year that requires approval. The request is for Cabinet to delegate authority to the Service Director to approve these procurement projects as they are prepared to go to tender, and in line with the Councils approval process and delegated levels of authority.

Principles of Housing Repairs and Maintenance procurement and delivery strategy

1. Co-ordinating works that go together; and sequencing works to prevent waste and disruption
2. Reviewing / standardising product and material specifications based on good practice, market engagement, tenant engagement and lessons learned, - and to prevent maintenance costs (reducing spares on vans, van sizes, travelling to stores).
3. strategic decision-making around supply and fit verses labour only contracts with materials purchased directly where this can bring savings and standardisation
4. Best use of in-house workforce, supported by external contractors
5. Strategic advantage optimised around when to use internal workforce alongside external contractors for the same works programmes.
6. Good customer standards built into contracts and for the internal teams
7. Strategy to mitigate risk of contractors entering administration
8. Maximising opportunities for Social value contributions
9. Maximise opportunities to utilise the City Leap partner once procured
10. Governance of our approach through Project Boards and the Planned Programme Portfolio Board.
11. Compliance with the Public Contracts Regulations 2015 and the Councils own procurement rules

Value for money will be achieved by:

- a. Selecting appropriate procurement route to ensure competent contractors can apply and are selected, and the length of contract to ensure contractor commitment and a competitive price.
- b. Using fit for purpose contract documentation prepared with legal services.
- c. Involving tenants in setting standards of customer care and in contractor selection process as an advisory panel
- d. Nominated contract managers accountable for managing the quality and delivery of the contract once let, and engaging tenants in core group meetings.
- e. Select contractors who will have the resources and appropriately skilled workforce to undertake the works, supporting our aims of right first time and increasing customer satisfaction

Opportunities will be proactively explored for each contract type to include for the provision of apprentices working in partnership with On-Site Bristol, where possible. The Council will encourage the successful contractors to use local labour, social value being part of the quality assessment process.

Procurement List

<u>Programme / Project</u>	<u>Duration</u> (where a range is included this will be informed by analysis of best route to market and best value)	<u>Estimated Annual contract sum / project sum</u> <u>£000</u>	<u>Approach to Market</u>
Response Repairs contracts			
Responsive Repairs and Relet works to properties across the estate.	3 - 6 Years, depending on market assessment.	£9,000	Most of the Responsive Repairs and Relet works are carried out by the in-house teams. This procurement is to select contractor(s) to support this to meet demand and specialist works. Market engagement will help inform strategy which will be either use of a compliant framework, or a direct tender exercise for a contract (s) or framework (s).
Building Materials to support responsive and Relet repairs and improvement programmes By in house workforce, or to support labour only contracts.	3 plus 1 years	£5,000	Use of a suitable compliant framework – mini-tender exercise to set up a contract. If none available run our own compliant tendering exercise Current Contract expires 30 th September 2020 for the supply of building, plumbing, electrical and heating materials for our response maintenance direct labour teams and the heating installation contract.
Voids security to properties requiring security across the estate	3 – 6 years depending on market assessment	£80	Expires in May 2021. New procurement process to begin in 2020. Either a mini-tender off an existing compliant framework or direct to market tender process.
Scaffolding, to support responsive works across the housing stock	3 - 6 years depending on market assessment	£100	Either a mini-tender off an existing compliant framework or direct to market tender process.
Damp Proofing & Timber Treatment of various homes across the housing stock	3 - 6 years depending on market assessment	£400-£500	Either a mini-tender off an existing compliant framework or direct to market tender process.
Mould & Ventilation, various homes across the housing stock	3 - 6 years depending on market assessment	£500-£600	Either a mini-tender off an existing compliant framework or direct to market tender process.

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M&E contracts			
Laundry materials and spares, possibly including machines, to communal laundries	3 to 6 years depending on route	£100 to £200	Consideration of inclusion in materials contract if best value can be found. Or separate tender to Market. Spare parts for Laundry machines across the city as well as new machines as required. Either a mini-tender off an existing compliant framework or direct to market tender process.
Smoke vents and Fire Alarm maintenance for blocks of flats across the estates	3 to 6 years depending on market assessment	£90-£120	Either open tender exercise, or mini-tender through suitable compliant framework. Contract purpose is service visits for fire alarms and automatic smoke ventilation equipment across the city.
TV aerial maintenance for flats across the estate.	3 to 6 years depending on market assessment	£90-100	Either open tender exercise, or mini-tender through suitable compliant framework. Repairs to TV aerials, sky and Virgin Tv equipment throughout blocks of flats across the city.
Door Entry systems maintenance, in blocks of flats across the estates	3 to 6 years depending on market assessment	£20	RFQ, contract finder through ProContract or call off from compliant frameworks Servicing and repairs to access equipment such as door entry panels, fob readers, electronic door locks across the city
Sprinkler Pilot, and possible subsequent programme, in a pilot block of flats, and then across high rise blocks.	One off tender	£300 for pilot	Installation of sprinkler systems throughout individual dwellings within high rise blocks of housing stock. Pilot block to be selected after consultation with tenants.
Warden call maintenance and installations	3 to 6 years depending on market assessment	£50	Request For Quote, contract finder through ProContract or call off from compliant frameworks. Servicing and repairs to supported housing equipment such as emergency lifelines
Electrical safety testing remedial works, across the housing stock.	4 years	£100	Request For Quote, contract finder through ProContract or call off from compliant frameworks. Repairs to electrical systems below rewire threshold within individual dwellings after domestic testing programme, across city
Electric Night Storage Heater programme replacements due	2 - 4 years depending on market assessment	£1,000 to £2,000 per year.	Engagement with market and new products will inform the procurement approach. Use of compliant frameworks or separate tender process. Possible links to City Leap. Install electric heaters and cylinders to approximately 300 properties across city.

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Automatic Opening Vent installation Lansdowne Court	One off tender	£170	Request For Quote, contract finder through ProContract or call off from compliant frameworks. Replace Automatic vent system and windows per floor of Lansdowne court.
Laundry Refurbs at following sites; Greenfinch lodge, mill house, shearwater, PRG, Mary Court, Haweswater, Greenhaven	N/A	£35 each laundry	Call off from existing BCC framework.
Rawnsley House Water Mains, Holroyd House Water main, Twinnell house internal water mains	One off tender	£140	Request For Quote, contract finder through ProContract or call off from compliant frameworks.
Kingsmarsh House Boiler replacement	One off tender	£85	Request For Quote, contract finder through ProContract or call off from compliant frameworks.
Gaywood House Door entry installation	One off tender	£40	Request For Quote, contract finder through ProContract or call off from compliant frameworks.
Replacement roof fans Berchel, Mawdeley, Northfield Houses	One off tender	£18	Request For Quote, contract finder through ProContract or call off from compliant frameworks.
PAC (door entry fob) Controllers citywide in door entry systems	One off tender	£60	Request For Quote, contract finder through ProContract or call off from compliant frameworks.
Lift Refurbishment projects: Hanover House, Rossiter Wood Court, Rosevear House	projects	£295	Call off projects from existing BCC framework

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Planned and Cyclical Programmes			
Kitchen installations and Rewires - across the housing stock.	3 - 6 years depending on market assessment.	500 Kitchens & est 125 Rewires with Kitchens, & 220 standalone rewires - £3,385; up to: 750 Kitchens & est 187 rewires with kitchens & 220 standalone rewires - £4,732	Set up Contract to deliver renewal of between 500 & 750 Kitchens per year & 220 stands- alone rewires & estimated 125/187 Rewires with new Kitchens. Direct tender process or Use of external Framework provider to also be considered & utilised where available.
Insulation Works across the housing stock	2 - 4 years depending on market assessment	£165 for first year only (reduces for subsequent years)	Set up Framework/DPS to enable Cavity Wall Insulation Works & Loft Insulation Works to be carried out to properties requiring thermal improvements. Use of external framework provider to be considered & utilised where available.
Roof Replacement - Low rise blocks and houses	Existing Framework in place (3 years with 1 years extension) New Framework to be procured from 2021	£1,528	Take up the year's extension option in current Framework, which is working well with 100% tenant satisfaction. Therefore extend until August 31 st 2021. Review current specification & framework during 2020/21 for procuring a new framework from September 1 st 2021
External & Communal Maintenance (Lot 3 Projects – call offs / min tenders)	Current framework has 3 years with 1 years extension	£1,394 (estimated total value of projects)	Mini tenders using Lot 3 of the External & Communal Maintenance Framework to cover combined works that can include External Maintenance & Painting, Communal Maintenance & Painting, Replacement Windows & Replacement Roofs to deliver the 2020/21 External Maintenance Programme. Project addresses at present are Millpool Court, Haweswater, Cromwell View,

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			Thornycroft Close, Henacre, Standfast Rd, Stradling Rd, Redwick Close, Highridge Green Further project addresses may be added as a result of referrals or works within the External Maintenance Programme requiring combined works, and based on changing property condition.
Fire Safety Works	3 plus 1 year	£1,056	<p>Set up Framework/DPS (or use existing compliant framework) to deliver Fire Safety Improvements/compartmentation works and for 2020/21 programme. This is part of the ongoing 12 year programme of Fire Safety works which started in 2012. This year is 856 Low Rise Flats as listed... Malago Rd, Henbury Ct, Halston Dr, Burnell Dr, Corey Close, Ludlow Close, Beggarswell Close, Francis Hs, Kingsley Hs, St Matthias Hs, Conduit Rd, Langsdown Hs, Gloucester Hs, Somerset Hs, Wessex Hs, Easton Rd, Payne Drive, Pountney Drive, Vining Walk, Walker Close, Highett Drive, Cashmore Hs, Wainbrook Drive, Crabtree Walk, Bell Hill Rd plus any referrals that are required to maintain safety of our blocks/Flats.</p> <p>Other blocks / addresses may be brought forward into the programme depending on condition information / inspection reports.</p> <p>Also to carry out further improvements to High Rise Blocks as identified by ongoing safety inspections that include Gilton House, Moorfields House, Eccleston Hs, Phoenix Hs, Barton Hs, Corbett Hs, Longlands Hs, Ashmead Hs, Castlegate Hs, Barlands Hs, Brookridge Hs & Butler Hs and any improvements to other blocks as identified by Fire Risk Assessments, and any recommendations arising from the Grenfell Inquires.</p> <p>Tendering of works via open contract if delay to setting up Framework/DPS.</p> <p>Use of external Framework provider to also be considered & utilised where available for min tenders.</p>
Windows – various properties across the housing stock as part of cyclical maintenance improvements.	Currently a 2 Year DPS is in place. Possibly 3 plus 1 years.	£1,289 for current year	<p>Window DPS already set up for all works on the 2020/21 Cyclical Programme Of Works..</p> <p>To review this & set up framework/contract for future works with pricelist for standard windows & works for 2021/22</p> <p>Call offs for Window Servicing using this DPS</p> <p>Call offs for Window Supply & Installation using this DPS</p>

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External Maintenance and Refurbishment High Rise Projects			
Major Refurbishments	2019 - 2023	£17,000	Use of External Works and Major Refurbishment to Blocks Framework – Lot 4 (Major Refurbishment to Blocks) Phoenix House mini tender (with Ecclestone previously agreed), Replacing old cladding and refurbishment to blocks. Oak, Rowan, Chestnut, Willow and Redwood Blocks in Hartcliffe. Repair / replacement of old cladding and refurbishment of blocks Other blocks may be substituted as priorities emerge , particularly blocks requiring cladding repairs in relation to fire safety
External Cladding Repairs programme - blocks	2020/21	£280	Mini Tender / call off mini tender from of External Maintenance and Refurbishment Framework: Butler, Barlands, Brookridge, and Castlegate Houses Other blocks may be substituted as priorities emerge , particularly blocks requiring cladding repairs in relation to fire safety
Surveying and Fire Safety works Assessments - blocks	projects	£100	Further block/fire safety investigations – inspections on various blocks to bring schemes ready to tender in future, exploring technical solutions. One off requests for quotes, or tenders to procure specialist surveying / consultancy either direct to market or using a compliant framework.
External/ Cyclical Maintenance - blocks	projects	£1,200	Survey and tender projects under Lot 4 of external maintenance and refurbishment framework as mini tenders: Charleton House, Gilton House. Other blocks may be substituted as priorities emerge, condition changes as a result of inspections.
Specialist Projects / Conversions			
Responsive Structural work to houses and blocks across the City.	projects	£500	Mini tender under existing Framework Contract for Responsive Structural works as they occur
Additional Work to Voids – extensions to properties with potential to provide larger homes	projects	£370	Mini tender under existing Framework Contracts for conversion projects work as they occur

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Acquired refurbishments projects, across the acquired housing property types, where major specialist repairs needed.	projects	£200	Mini tender under existing Framework Contracts for Responsive refurbishment work as they occur
Other			
Minor Neighbourhood Improvement Works projects	Mini call off projects for the year	Up to total value of £600	Mini tender off an existing framework? projects agreed annually by Neighbourhood investment panel Under Lot 2 of Minor Works contract
Adaptations New adaptations, stairlifts, repairs to adaptations, and extensions/ Conversions projects	3+1 (4 Years)	£4,000 Capital £575 Revenue	Carry out market engagement to confirm strategy. Consider a BCC Framework / Contract or call off from an existing External Framework DPS or a series of mini tender off compliant framework - all available options to be explored.
Stair Lift Maintenance	3 to 6 years, depending on market engagement	£350	Use of compliant frameworks or separate direct tender process for a single contract.
Block Structural surveys, various blocks according to programme to inform on condition, scopes of work.	One off tenders	£100	One off tenders, or requests for quotes on open market or call off from an existing compliant framework.