



CABINET: 10 SEPTEMBER 2019

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
26 SEPTEMBER 2019**

COUNCIL:16 OCTOBER 2019

Report of: Director of Housing and Inclusion

Relevant Portfolio Holder: Councillor J. Wilkie

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**SUBJECT: COUNCIL HOUSING ASSET MANAGEMENT STRATEGY AND
CAPITAL PROGRAMME PROCUREMENT APPROACH**

Wards affected: All

1.0 PURPOSE OF THE REPORT

- 1.1 To seek approval from Cabinet/Council of the newly developed Housing and Inclusion Asset Management Strategy (AMS) including an ability to enter into a 5 year contract(s) to deliver the capital investment programme commencing April 2021.

2.0 RECOMMENDATIONS TO CABINET

- 2.1 That the newly developed Asset Management Strategy included as appendix A be approved.
- 2.2 That in order to deliver the Asset Management Strategy and realise economies of scale and continuity, the procurement of the housing capital investment programme starting from April 2021 for a term of 5 years to maximise value for money and flexibility be approved.

3.0 RECOMMENDATION TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

- 3.1 That following consideration of the report any agreed comments be submitted to Council.

4.0 RECOMMENDATIONS TO COUNCIL

- 4.1 That the Housing Asset Management Strategy be approved and implemented.
- 4.2 That the procurement of a 5 year contract to deliver the Housing and Inclusion Capital Investment Programme be approved.
- 4.3 That further approval will be sought from Cabinet / Council should officers wish to utilise the contract extension options included within the contract.

5.0 BACKGROUND

- 5.1 In order to ensure the long term sustainability of the Councils housing stock/business plan, Officers have developed a new AMS which provides a framework to ensure the Council make good investment decisions for the housing stock. The AMS will deliver individual 5 year area investment plans which will be shaped by robust intelligence along with the invaluable knowledge from the various teams within the Housing and Inclusion service. The AMS for consideration is included as appendix A.
- 5.2 Procurement for the capital investment programme has been on a year by year basis since 2017/18. This was an interim arrangement while stock condition data was being analysed and the asset management strategy developed. In order deliver the 5 year investment plans officers now plan to procure longer term contract(s) which will realise economies of scale and continuity which will also facilitate increasing the social value of our contracts such as, increased training opportunities through the development of a social enterprise models which could potentially benefit the whole borough, developing/utilising local supply chains and utilising local educational institutions. This duration of contract will also have the added benefit of removing the need to procure on an annual basis freeing up officer time to enable greater focus on contract management and quality assurance.

6.0 CURRENT POSITION

- 6.1 Officers are procuring the 2019/2020 capital programme using a mixture of open tender and frameworks and a similar procurement route is proposed for the 2020/21 capital programme. From April 2021 it is proposed a 5(+3,+2) year contract(s) will commence to deliver the asset management strategy. It is anticipated that these contracts will be broader in scope to ensure specifications and quality standards are aligned with those contained within the new Responsive Maintenance and Void contracts, ensuring standardisation of components across the housing stock is achieved.
- 6.2 In addition to standardising components and quality standards, contracts will be structured in a way that allows flexibility for change which will allow option appraisal recommendations to be implemented without contractual penalties.

7.0 SUSTAINABILITY IMPLICATIONS

- 7.1 The asset management strategy has sustainability at its heart and will aim to improve the overall sustainability of the housing stock and local communities.
- 7.2 Moving to a longer term approach to procurement will also provide the opportunity for contractors to invest in training and deliver tangible social value to local communities.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

8.1 Whilst not having direct financial implications, the AMS will aim to ensure the business plan is sustainable and focus the Council's investment wisely.

8.2 It is envisaged that moving to the longer term approach in relation to the procurement of the capital programme will provide benefits in relation to economies of scale and will reduce repeated procurement costs.

9.0 RISK ASSESSMENT

9.1 The actions referred to in this report are covered by the scheme of delegation to officers and any necessary changes will be made in the relevant risk registers.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix A - Asset Management Strategy

Appendix B - AMS Process Chart

Appendix C – Minute of Cabinet 10 September 2019 (Executive Overview and Scrutiny Committee & Council only)

Appendix D – Minute of Executive Overview and Scrutiny Committee 26 September 2019 (Council only)