

Waverley Borough Council

Report to: EXECUTIVE CO PORTFOLIO HOLDER FOR HOUSING DECISIONS
and EWG: LSAB

Date: 29 February 2024

Ward(s) affected: All

Report of Director: Community Wellbeing

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Report Status: Open

Key Decision: Yes

HRA Planned Works: Kitchen and Bathroom Contract Extension

1. Executive Summary

The report outlines the request to enter into an extension period of the existing planned works contract for kitchen and bathroom replacements with PILON from April 2024 to March 2026.

2. Recommendation to Executive

That the Executive Co-Portfolio Holder for Housing (Operations and approves:

- an extension to the current PILON contract by two years (terms and conditions to remain the same) for planned kitchen and bathroom replacement works.

3. Reason(s) for Recommendation:

Waverley have a duty to ensure that all their homes have reasonably modern facilities and meet the Decent Homes standard.

PILON currently supplies planned kitchen and bathroom replacement services to Waverley via a measured term contract, which was signed in June 2022, and procured on a '2+2' year term.

Waverley have developed a good working relationship with the incumbent contractor, PILON. The quality of the product delivered on-site over the last 18 months has been consistent. PILON are providing a good service and value for money.

The Planned Works Team recommend extending this current arrangement for two years until March 2026. This option provides Waverley with time to procure replacement contracts as well as releasing resources to complete other current high-priority procurement workloads.

4. Exemption from publication - No

5. Purpose of Report

The current contract ends in March 2024 unless the contract is formally extended. The contract was designed with an extension clause, in accordance with the contract terms and the initial procurement process.

Therefore, agreement is sought to extend the current contract with PILON for two additional years – from April 2024 to March 2026 (as per contract terms allow) to continue to carry out planned kitchen and bathroom replacement works on a rolling programme basis.

6. Strategic Priorities

The report supports the Council's Corporate Commitment to promote *"good quality housing for all income levels and age groups"* and aims to *"be the best council landlord in the southeast and to be acknowledged so by our tenants"*.

7. Background

The Planned Works team have developed a good working relationship with the incumbent contractor PILON, and the quality of the product delivered has been consistent since their start in 2022.

Waverley is currently on target to complete about 60 planned kitchens and planned 75 bathrooms at a cost of about £900k, by the end of FY 2023/24, to a good standard.

This workstream by PILON has also produced a tenant satisfaction score of 94%.

8. Consultations

Tenant Satisfaction Surveys and Landlord Services Advisory Board.

9. Key Risks

The current contract will end in March 2024 unless extended. If the contract ends, then no programmed kitchen and bathroom replacement works will be carried out in FY 2024/25, to the detriment of the housing stock.

10. Financial Implications

The budget for FY 2024/25 is currently awaiting final Council approval, which is due 20 February 2024.

The proposed combined budget for FY 2024/25 is £875k, which would enable similar completion results to last years, c130 replacements.

11. Legal Implications

Legal advice was sought in this matter and Andrew Ogalo, Contracts and Procurement Solicitor (Interim) provided legal advice. Confirming that the original '2+2' year agreement commenced on 1st July 2022, for a period of two years (running until March 2024), with the option to extend for a period of two additional years (from April 2024 until March 2026).

12. Human Resource Implications - None

13. Equality and Diversity Implications - None

14. Climate Change/Sustainability Implications

PILON operate a waste management system to ensure that materials removed from site are recycled and disposed of in an environmentally friendly way, whenever possible.

15. Summary of Options

No other reasonable options are currently available or viable, to ensure this workstream continues in FY 2024/25.

16. Conclusion

It is recommended that the current PILON contract for Kitchen and Bathroom Replacement Works, is extended by two years (from April 2024 until March 2026), to ensure that all identified works are completed as planned.

This extension will provide value for money, ensure consistent quality utilising a contractor with a proven track record, whilst allowing longer term contracts to be procured.

Please ensure the following service areas have signed off your report. Please complete this box, and do not delete.

| Service | Sign off date |
|----------------------------|-----------------|
| Finance / S.151 Officer | 22/01/2024 |
| Legal / Governance | 26/09/2023 |
| HR | - |
| Equalities | - |
| Lead Councillor | 6 February 2024 |
| CMB | 31 January 2024 |
| Executive Briefing/Liaison | 6 February 2024 |
| Committee Services | |