

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – 11 JUNE 2013**

Title of report	<b>DECORATION ALLOWANCE SCHEME</b>
Key Decision	a) Financial Yes b) Community No
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Purpose of report	To inform Cabinet of the procurement of a new decorating allowance scheme, giving tenants a choice of decorating materials upon allocation of Council properties. The report requests that Cabinet delegate authority to the Chief Executive and Director of Services to award the Decoration Allowance Scheme contract.
Reason for Decision	The level of potential expenditure exceeds the authority threshold in the Scheme of Delegation
Council Priorities	Business and Jobs Value for Money
Implications:	
Financial/Staff	A robust evaluation of the tender will allow the most economically advantageous tenders to be selected, achieving an efficient service for the council over the life of the contract and giving council tenants a choice, increasing satisfaction levels.
Link to relevant CAT	Not applicable
Risk Management	Not applicable
Equalities Impact Assessment	Not applicable
Human Rights	None discernible

Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Housing Management Working Group (tenants), Legal Services
Background papers	None
Recommendations	<p><b>THAT CABINET</b></p> <p><b>(1) NOTES THE TENDER PROCESS SELECTED FOR THE DECORATION ALLOWANCE SCHEME; AND</b></p> <p><b>(2) DELEGATES AUTHORITY TO THE DIRECTOR OF SERVICES TO AWARD THE DECORATION ALLOWANCE SCHEME CONTRACT, IN ACCORDANCE WITH EVALUATION CRITERIA TO BE AGREED BY THE TWO OFFICERS</b></p>

## 1.0 BACKGROUND

- 1.1 Since 2007, the Housing Management Department has issued new tenants with “Decoration Vouchers” to be spent on improving the internal decoration of their new home.
- 1.2 An inspection of the empty property (or void as it is commonly referred to) is undertaken at the point of it being available for re-let. The Void Inspector determines whether an Allowance is payable due to the internal décor of a property not being adequate. Rather than the decorating being undertaken by NWLDC, an allowance is paid to the tenant for them to improve the decoration at their convenience.
- 1.3 The Vouchers can be used at high street stores such as Wilkinsons, Focus DIY and more recently, Wickes. The subsequent closure of Focus stores has narrowed options for tenants further.
- 1.4 There is no existing contract in place with the high street vendors for the provision of these services. The Vouchers themselves are purchased through our existing ESPO framework agreement.

- 1.5 A review of the procedure was undertaken by the Housing Management Working Group, a working group consisting of Officers and Council tenants. This group made a recommendation to pursue a contract which provided the tenants with better quality products, whilst achieving better value for money for the Council. Some of the problems within the current arrangements include:
- Adhoc invoicing which requires significant administration time to check items purchased against an agreed list.
  - Tenants choice is too wide, and often results in tenants purchasing items which they desire rather than need.
  - The potential for fraudulent claims, with tenants passing vouchers on to relatives or friends to be used
  - The high cost of printing vouchers
  - The inflexibility of high street vendors not allowing tenants to spend less than the voucher value, meaning the tenant effectively loses money.
- 1.6 Upon investigation, there are numerous schemes available to the NWLDC, which would help to address these problems and improve outcomes for tenants and NWLDC. The Housing Management Working Group felt that a “paint pack scheme” would be preferable against alternative voucher schemes.
- 1.7 The packs will consist of required decorating materials such as paint, brushes, sandpaper and dust sheets. The Council has “quality control” over the materials being used in our properties, whilst allowing tenant choice on colour. There will be numerous packs for packs to choose from, which will depend upon the type of house, size and amount required.
- 1.8 Tenants benefit by having the packs they choose delivered directly to them, rather than having to find a store in the area they live.
- 1.9 The award of a contract will allow the Council to:
- Reduce administration costs
  - Provide a better deal to tenants
  - Tailor packs against property condition

## 2.0 **TIMESCALES AND EVALUATION**

	<b>DATE</b>
<b>Deadline for Submission of Interest</b>	<b>5 July 2013</b>
<b>Deadline for Invitations to Tender</b>	<b>26 July 2013</b>
<b>Contract Award</b>	<b>By 30 August 2013</b>
<b>Contract Commencement</b>	<b>1 October 2013</b>

- 2.1 The timescales above have been selected to ensure that the process has due diligence, whilst ensuring that we start the contract in a timely manner and ensure maximum value.

- 2.2 Tenders will be measured against the evaluation criteria to be determined, which will be weighted towards the scheme which will cost NWLDC the least. Other criteria under consideration will be:

Non chargeable delivery/collection options  
Ability to offer variety of paint packs  
Additional benefits to the tenant (ie discounted items outside of contract)

### **3.0 RESOURCE IMPLICATIONS**

- 3.1 The anticipated expenditure over the 4 year period for decoration is in excess of £100,000 which is a Band D (large) contract and requires a formal tender process to be undertaken as detailed in Contract Procedure Rule 5.16.
- 3.2 Until the tenders are evaluated, exact savings/efficiencies cannot be determined. It is anticipated the award of a contract for a 4 year period will achieve efficiencies, specifically, the ability to achieve more with the current level of resources.

### **4.0 CONCLUSION**

- 4.1 The existing scheme to award a Decoration Allowance in the form of a voucher has been reviewed by our involved tenants at the Housing Management Working Group. After considering the options available they concluded the award of a contract to a single provider for tenants and the Council via the procurement process represents the most appropriate way forward.