

Commissioning and Procurement Executive Committee – 11 June 2024

Subject:	Stock Condition Surveys		
Corporate Director:	Sajeeda Rose - Growth and City Development		
Executive Member:	Cllr Jay Hayes – Housing and Planning		
Report author and contact details:	Steve Edlin, Assistant Director of Asset Management. steven.edlin@nottinghamcity.org.uk		
Other colleagues who have provided input:	David Worthington – Finance Geetha Blood - Finance Beth Brown – Legal Jeremey Delderfield – Procurement Alison Brown – Director of Property Services Geoff Wharton - Consultant Strategic Director of Housing		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision: £3,600,000			
Section 151 Officer expenditure approval			
Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: 1176			
Commissioner Consideration			
Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 03/06/2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input checked="" type="checkbox"/>		
Serving People Well	<input type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
The Council are required by regulation to ensure that all its social housing meets the governments Decent Homes standard and prove how it knows that its housing stock meets this requirement. The decent homes standard sets out a minimum standard for social housing and is underpinned by four criteria linked to a statutory minimum standard based on the 29 Hazards detailed in the Housing Health and Safety Rating System (HHSRS), reasonable state of repair, having modern facilities and meeting identified levels for thermal comfort.			
We maintain decency through the delivery of repair, maintenance and investment works to			

homes, blocks, and estates. We do this through a mixed service delivery model of directly employed staff and trade colleagues and external contractors who provide additional capacity and technical expertise.

This paper is to seek approval to appoint a single partner to undertake a new Stock Condition survey of all of the NCC managed stock.

We do not have sufficient internal capacity to deliver the scale and scope of surveys required at this time to ensure we maintain decency across our housing assets.

The HRA Capital/Revenue Investment programme, which this work will be carried out under was reported to executive board on 13 February 2024 as part of the Capital Programme and subsequently signed off on 5 March 2024.

The 2006 Decent Homes standard is currently under review as part of one of the most significant regulatory reviews of social housing in the last decade. Using the consultation that has taken place to date there are likely to be additional measures we will have to take on as a landlord to ensure we are compliant with the decency standard, meaning a new survey of our properties is required to ensure we take them into account.

The Social Housing Regulation Act 2023 ("The Act") introduced a requirement for landlords to evidence how we ensure compliance with the decency standard through the Consumer standards specifically the Safety and Quality standard. Many of the provisions in the Act are responses to the tragedies of the 2017 Grenfell Tower fire and death of two-year old Awaab Ishak, who died in 2020 from exposure to serious mould.

The Act allows the Regulator of Social Housing to take action against social landlords before people are at risk and hold landlords to account with a reintroduced regime of service inspections. The act gives the Secretary of State power to require social landlords to investigate and rectify serious health hazards. This could include intervention within the property service.

Exempt information: None

Recommendations:

- 1 To approve a direct award to Savills under the 'Places for People Group Limited' framework (contract Notice reference: 2022/S 000-029646, published 20 October 2022), and to enter into a contract to enable delivery of a full Stock Condition Survey programme up to 31 July 2025, with an option to extend for 2-years if required.
- 2 To delegate authority to the Assistant Director of Asset Management to set up the required Contract Purchase Agreements to cover the works to be delivered, and to approve the raising of purchase orders under the signed contract for the duration of the contracts.

1 Reasons for recommendations

- 1.1 Nottingham City Council Housing Services team are required to ensure that all of its Social Housing homes meet the governments Decent Homes Standard which means that they will meet the minimum statutory standard for housing including no category one failures under the HHSRS, properties are in a reasonable state of repair, we have reasonably modern facilities and services, and homes provide a reasonable degree of thermal comfort.
- 1.2 The Act includes a requirement to meet our obligations under the newly introduced Building Safety Act 2022 and Fire Safety Act 2021 and the

forthcoming Awaabs Law to ensure that Social Housing is free from Damp and Mould, disrepair, HHSRS hazards and are structurally sound and safe. We are required to demonstrate our compliance using the consumer standards, specifically for property the safety and quality standard.

1.3 The types of works we deliver to maintain decency includes:

- replacements works and refurbishments works to key building elements and components including roofs, structural works, doors, windows and heating systems;
- replacement of key facilities including Kitchens, bathrooms;
- control measures to manage Hazards including Damp and Mould, Falls, electrical hazards and fire;
- preventing disrepair by dealing with property deficiencies within a reasonable timescale;
- work to improve thermal efficiency including external wall insulation or alternative heating systems;
- Decent Neighbourhoods work, including boundary issues, garages and HRA pathways;
- support for development of mixed communities including HRA shop conversions and works to properties bought on the open market.

1.4 To ensure that we can meet these requirements there is need to undertake a new Stock Condition Survey across our stock due to the current data being based on old surveys, which will ensure that we are fully compliant with the regulations and if not are aware where we need to invest to undertake work to bring failing properties up to standard.

2. **Background (including outcomes of consultation)**

2.1 A last full SCS programme ended in 2017 and although the data has been kept up to date via inhouse resource, there is a requirement to undertake a new full SCS to all circa 25,000 homes that NCCHS manages to ensure that the data we hold is up to date and robust.

2.2 Complete the Framework Engagement process to enable Nottingham City Council Housing Services to meet its regulatory, statutory and landlord obligations by contracting additional surveying capacity through the Places for People framework 2022/S 000-029646

2.3 The proposal to undertake new stock condition surveys was taken to Commercial Oversight Board on 27 February 24, where it was approved.

3. **Other options considered in making recommendations**

3.1 Carry out the work with internal resources, which would not be achievable to scale, scope, volume and timescales at this time. However, it is the intention to bring this service inhouse at a later stage.

4. Consideration of Risk

- 4.1 A full risk register will be completed and will be incorporated into ongoing governance reporting as required to ensure control measures remain appropriate and help to inform decisions.

5. Best Value Considerations

- 5.1 We will use this contract to demonstrate continuous learning against the identified seven best value themes some examples are given below.

5.1.1 As part of contract mobilisation, we will establish the governance regime from operational to a strategic overview to manage performance against agreed success measures and robust financial management;

5.1.2 We will work collaboratively to identify areas of learning and positive practice that can be shared across other contracts we have within property service;

5.1.3 We will involve the partner in the wider service transformation activities to ensure there is clear direction on our approach and service delivery expectations;

5.1.4 Using a framework arrangement provides some assurance on technical competency and value for money as the partner has been externally benchmarked against a cost and quality criteria;

5.1.5 We have a dedicated team who will be responsible for the effective management of the contract and overseeing the quality of the service received by customers;

5.1.6 We will proactively work with the partner to support where possible a local supply chain to offer employment and opportunities to local companies;

5.1.7 The partner will develop a social value plan for the term of the contract.

6. Commissioner comments

- 6.1 The Commissioners note the content of the report and have no additional comments to add. (23/05/2024)

7. Finance colleague comments (including implications and value for money/VAT)

- 7.1 This report seeks recommendation to award a contract to Savills as the approved contractor for the delivery of new stock condition survey for the whole of the housing stock. This is essential so that the Council can demonstrate that it fulfils its statutory and regulatory requirements in relation to fire risk assessments, energy performance certificates, asset strategy, and energy efficiency.

- 7.2 In recommending Savills, a robust procurement process has taken place to ensure that proper due diligence in awarding the contract. Due to the

complexities of such a large assignment, the processes have been thorough to ensure value for money.

- 7.3 In addition, the new stock condition survey information will be used to update the 30-year HRA business plan. This will identify the demand for future capital and revenue expenditure as well as the resources required to finance the expenditure. The updated business plan will be used to update the Medium-Term Financial Plan (MTFP) and annual budgets.
- 7.4 Expenditure on providing a new stock condition survey is classified as revenue expenditure and incorporated £3.6m specific revenue growth in the 2024/25 HRA Revenue Budget Report approved by full Council on the 5 March 2024. In addition, the MTFP includes a £1.2m provision in 2026/27 and 2027/28 to ensure that the stock condition survey is updated.
- 7.5 The costs of the stock condition survey will be met from the HRA revenue budget 2024/25 as approved by Council in February 2024.

David Worthington, Interim HRA Accountant – 9 May 2024

Geetha Blood, Strategic Finance Business Partner – 23 May 2024

8 **Legal colleague comments**

- 8.1 The Social Housing Regulation Act 2023 places enhanced obligations on Local Authority Landlords to ensure that social housing is of a decent standard for tenants.
- 8.2 To ensure that we are meeting our obligations there is a requirement for additional capacity, this is being achieved via a mixed delivery model with the private sector.
- 8.3 The arrangements between the parties will be regularised via industry standard JCT contracts and Legal Services will provide support as required.

Beth Brown, Head of Legal - 20 March 2024

9 **Other relevant comments**

Procurement

- 9.1 We are proposing to use the Places for People 2022/S 000-029646 (Procurement Hub Framework), which conforms to the Public Contracts Regulations 2015.
- 9.2 Procurement Hub notified the successful and unsuccessful organisations of the award decision on 12 December 2022. The 10-day standstill period ended on 23 December 2022 with no challenges raised, which was concluded with an FTS contract award notice — reference 2023/S 000-002799.
- 9.3 The Call-off contract can therefore be awarded at any time throughout the duration of the framework agreement, to the first placed provider, which is Savills.
- 9.4 The version we have chosen incorporates all of the activities required in Lot 6.

The scope is in accordance with CPV code 70000000 - Real estate services. Providers can apply for up to 6 lots for strategic asset management services:

1. Stock condition surveys;
2. Fire risk assessments;
3. Energy performance certificates;
4. Asset strategy;
5. Energy efficiency;
6. Multi-discipline.

9.5 As this is a direct award from a framework, it is recommended that the service takes the opportunity to further test value for money following the first year of the contract, prior to taking up the extension options, if necessary.

Jeremy Delderfield, Procurement & Sourcing Manager – 8 May 2024

10 **Crime and Disorder Implications (If Applicable)**

10.1 N/A

11 **Social value considerations (If Applicable)**

11.1 Nottingham City Council promotes and supports sustainable growth, social and environmental wellbeing. The Signatories to the Contract will become part of a network of organisations that can do business together, whilst supporting the Contract principles to promote economic prosperity and social environmental wellbeing.

11.2 The Contract also provides a way to create more employment and training opportunities for Nottingham City residents. With Nottingham Jobs we will help employers to find the right people for their business. This free service helps employers to employ the right people with the right skills.

11.3 The Contract identifies the actions and activities that Nottingham City Council, and our contracted suppliers and partner organisations will deliver to bring about economic growth and prosperity and help transform Nottingham from a good to a great City.

12 **Regard to the NHS Constitution (If Applicable)**

12.1 N/A

13 **Equality Impact Assessment (EIA)**

13.1 An EIA is not required at this stage because this decision does not represent proposals for a new or changing policy, service or function. However individual EIA's will be completed as required.

14 **Data Protection Impact Assessment (DPIA)**

14.1 A DPIA will be undertaken with the supplier once approval has been granted.

15 **Carbon Impact Assessment (CIA)**

15.1 A CIA will be undertaken with the supplier once approval has been granted.

16 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

16.1 None.

17 Published documents referred to in this report

17.1 Executive Board report: Capital Programme – 13 February 2024