

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3560
Author:	Rodney Alan Martin
Department:	Development and Growth
Contact:	Rodney Alan Martin (Job Title: Development Manager, Email: rod.martin@nottinghamcity.gov.uk, Phone: 01158763075)
Subject:	Re appointment of Consultants to undertake Right to Buy Valuations
Total Value:	See exempt appendix (Type: Revenue)
Decision Being Taken:	(1) To approve dispensation from Contract Procedure Rule 5.1.2 (requirement to obtain tenders) under Financial Procedure Rule 3.29 on operational grounds; (2) Approve the re-appointment of Freeman and Mitchell Chartered Surveyors to undertake the Council's Right to Buy valuations for up to a 3 year period on the fee structure set out in the exempt appendix.
Reasons for the Decision(s)	The Council has a statutory requirement to provide a valuation to Council House tenants who apply to buy their home under the Right to Buy scheme. This valuation work has, to date, been undertaken by two local firms. However one of the firms has disbanded and it is proposed that the remaining firm take on all of the work as set out in the exempt appendix. Termination provisions will be placed in the proposed contract to ensure that the Council have the ability to re-tender the contract when appropriate.
Other Options Considered:	To undertake Right to Buy valuations in house. This option was rejected as the undertaking of these valuations is resource intensive and the current resources within Property are better utilised focusing on other priorities. To re-tender the Right to Buy Valuation work. This option was rejected as Freeman and Mitchell Chartered Surveyors are local specialists in Right to Buy valuation undertaking valuations for a number of authorities in the area. They have an excellent knowledge of the Council's residential property portfolio and the local market. They currently undertake the Council's Housing stock valuation and the proposed fee structure is acceptable. Provision will be placed in the contract to ensure there is opportunity to re tender the Right to Buy valuation work when the Housing stock valuation work is re-tendered.

Background Papers: **None**

Published Works: **None**

Affected Wards: **Citywide**

Colleague / Councillor Interests: **None**

Any Information Exempt from publication: **Yes**

Dispensation from Financial Regulations: **Yes**

Exempt Information:

Description of what is exempt: **The value of the decision, Legal comments, background and fee proposal.**

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the information is commercially sensitive and could be used for competitive advantage.

5 - Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains confidential advice which could adversely prejudice the Council's financial position if the information was disclosed.

Documents exempt from publication:

RTB valuation Exempt Legal Advice.docx, Reappointment of RTB consultants Exempt Appendix.docx

Use of Consultants

Number of Days:1095

Rate per Day:0

Total value:0

Start date:01/10/2018

End date:30/09/2021

Reason for using a consultant:

The Council have a statutory duty to provide a valuation to tenants submitting an application to buy their Council home under the Right to Buy scheme. The undertaking of these valuations is resource intensive and the current limited resources within Property are better utilised focusing on other priorities.

Other options considered:

To undertake Right to Buy valuations in house. This option was rejected as the undertaking of these valuations is resource intensive and the current limited resources within Property are better utilised focusing on other priorities. The average number of Right to Buy applications over the last 3 years has been approximately 650 per year.

Name of consultant:

Freeman and Mitchell Chartered Surveyors

Reason for selection?

Freeman and Mitchell Chartered Surveyors are local specialists in Right to Buy valuation undertaking valuations for a number of authorities in the area. They have, for many years undertaken Right to Buy Valuations for the City Council. They have an excellent knowledge of the Council's residential property portfolio and the local market. They currently undertake the Council's Housing stock valuation and the proposed fee structure is acceptable.

Has the consultant previously completed work for the City Council?

Yes. Freeman and Mitchell currently undertake Right to Buy valuations on behalf of the Council. Freeman and Mitchell also undertake the Council House stock valuation for the Council.

Specific activities to be undertaken by the consultant are:

Making of appointments; inspection and valuation of houses and flats for Right to Buy purposes; the provision of an insurance valuation in respect of flats; indication of rights and reservations on the sale plan; completion of documentation; make representations to the District Valuer following an appeal against a Right to Buy valuation, as required.

Period of engagement:

Up to 3 years

By what process was the consultant selected?

Based on past performance and a revised fee quotation.

Consultations:

Date: 13/08/2018

Other:Graham de Max, Housing Strategy and Partnership Manager

The proposal is supported by Graham de Max.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:	EIA not required. Reasons: The decision does not comprise a change to policies, services or functions
Relates to staffing:	Yes
Relates to Council Property Assets:	Yes
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	01/07/2019
Advice Sought:	Legal, Finance, Procurement, Human Resources, Property
Legal Advice:	This advice is exempt from publication and is contained within an exempt appendix Advice provided by Andrew James (Team Leader Contracts and Commercial) on 10/05/2019.
Finance Advice:	<p>The value of this decision is as indicated in the exempt appendix, based on actual expenditure over the past 3 years uplifted. The actual expenditure will vary depending on the number of RTB applications and the type of property.</p> <p>The cost of the RTB valuations are classed as transaction costs and can be met from the capital receipts received from the RTB sales as permitted by the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2013. As the costs are funded from capital receipts, therefore they do not impact on the Council's MTFP.</p> <p>The dispensation from Financial Regulations is required as explained in the body of the report. As the contract for the valuation of the council's housing stock is due for tender in the next financial year there is the option to include both stock and RTB properties at this point.</p> <p>Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 30/04/2019.</p>
Property Advice:	Property proposal no further advice required Advice provided by Peter Carroll (Portfolio and Investment Manager) on 10/05/2019.
Procurement Advice:	If the dispensation to Finance Procedure Rules is granted, there are no procurement implications to this decision. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 15/04/2019.

HR Advice:

The proposal to engage consultants due to the specialist nature of the work which is not available in-house is supported. Advice provided by Joanne Hill (Service Redesign Consultant) on 18/04/2019.

Signatures:

David Mellen (Leader/ PH Regeneration, Safety and Communications)
SIGNED and Dated: 21/06/2019
David Mellen (Leader/ PH Regeneration, Safety and Communications)
SIGNED and Dated: 21/06/2019
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 10/06/2019
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 10/06/2019
Chief Finance Officer's Comments: