



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Cabinet

12 January 2021

Report of: Councillor Robert Reid

Cabinet Member for Housing and
Planning



Procurement of Housing Stock Condition Survey

This report seeks approval for the award of a Housing Stock Condition Survey Contract to Faithorn Farrell Timms LLP (FFT) via the National Framework Partnership to conduct a stock condition survey and Energy Performance Certificate (EPC) on all dwellings, blocks and communal areas for South Kesteven Council subject to the approval of the necessary funding to complete the work.

Due to the commercial sensitivities this report, and the appendices are exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972.

Report Author

Kelly Foster, Interim Repairs Manager



01476 406320



k.foster@southkesteven.gov.uk

Corporate Priority:	Decision type:	Wards:
Competitiveness	Key	All Wards

Reviewed by:	Chris Stratford, Interim Assistant Director for Housing	16 December 2020
Approved by:	Karen Bradford, Chief Executive	18 December 2020
Signed off by:	Councillor Robert Reid, Cabinet Member for Housing and Planning	22 December 2020

Recommendation (s) to the decision maker (s)

1. It is recommended that Cabinet approves the award of a contract to Faithorn Farrell Timms LLP (FFT) to carry out a stock condition survey to all dwellings, blocks and communal areas, including EPC (Energy Performance Certification) to the housing stock of South Kesteven Council. This appointment will be undertaken via the National Framework Partnership.

- 2. That Cabinet include in the proposals for 2021/22 a budget of £50k for the employment of an additional member of staff on a fixed term contract to conclude at the end of the stock condition activities, to support the necessary project management of the contract with Faithorn Farrell Timms LLP.**
- 3. That Cabinet include in the proposals for 2021/22 a budget of up to £50k order to procure the additional licences for the current APEX asset management software system, to enable Faithorn Farrell Timms LLP to update the Council's system with the new survey data.**
- 4. That Cabinet note that at the full Council meeting held on the 17 December 2020 a budget of £780,000 was approved in order to procure the necessary stock condition, EPC, and project management activities as outline in this report.**

1 The Background to the Report

- 1.1 South Kesteven District Council (the Council) has an urgent need to improve its stock condition information relating its property portfolio. This is especially important and relevant given the recent internal audit report highlighting regulatory and compliance shortcomings in respect of stock condition and critical Health and Safety issues. The Council in referring itself to the Social Housing Regulator also identified the lack of accurate stock condition data as a contributory factor in respect of its compliance challenge.
- 1.2 The completion of a 100% stock condition survey to dwellings, blocks and communal areas will provide the Council with up to date and accurate information to plan its overall investment strategy and develop its new asset management plan, which will in turn inform the review of the HRA Business Plan. This will ensure that property assets will be well maintained by way of timely and focused investment. It is also worth noting the last stock condition survey was in completed 2009 by Savills plc. Good practice indicates a stock survey should be completed every 5 years.
- 1.3 All data compiled through this new survey will be uploaded into the current APEX asset management system, to provide up to date information that will be held in this single location. Subsequently when the new Northgate integrated housing management system is approved and commissioned it will be possible to review how the data is held within this new system solution
- 1.4 In determining the most appropriate way to procure the new stock survey, officers took account of the need to procure a preferred contractor in the most efficient and effective way, within appropriate minimum time frames, to allow the commencement of the survey as soon as practically possible. This approach is in accordance with the Council's Procurement Procedure Rules. The National Framework Partnership – Stock Condition Framework offered the opportunity of a direct award, as the contractors had already been reviewed through the rigorous Framework process, which assessed providers on 60% quality and 40% cost. Officers have subsequently selected two contractors from the framework based on their ability to meet the Council's specific needs to conclude not only a stock condition survey, with electronic downloads onto APEX, but also provide a valid EPC for each dwelling surveyed.

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 Tenants received a letter regarding the housing compliance challenges in November 2020 and this correspondence also informed them that planned works might be required to be undertaken on their properties in due course subject to a stock condition survey.
- 2.2 It is intended that subject to the approval of Cabinet that officers will write again to tenants informing them that the surveys will be taking place, giving details of the commencement date, the contractor appointed, and informing them of the time required to complete a survey of their home, and when this is likely to take place in their location.
- 2.3 We will be putting robust project management in place to ensure that surveys are being completed to the required standard, tenant access is being achieved in the correct way and that progress to meet the overall timelines to complete the survey is being achieved. A regular project management 'interrogation' meeting will be arranged to ensure the contractor managers are dealing with the project outputs as required.

- 2.4 A commitment to report to the Rural and Communities Overview and Scrutiny Committee on a quarterly basis around progress concerning key housing compliance matters has already been given, and officers will update the Committee on the progress of the stock condition surveys being completed, as part of these reporting arrangements.

3 Available Options Considered

- 3.1 **Do Nothing** – This is not advised given our current non-compliant position, lack of up to date property condition data, and the need to address this lack of data, to provide a new Asset Management Strategy, and inform the review of the HRA Business Plan is critical.
- 3.2 **Complete the Survey using in house resources** – The repairs and improvements teams have been trying to complete a rolling stock condition survey update on properties covering a five-year cycle of review but have failed to achieve the necessary 20% survey completions each year. In addition, the EPCs for the stock have not been updated and have now expired. Doing this certification on void dwellings as they occur, delays the letting of properties and adds to the current resource strain placed on the in-house team. Given the status of our current stock condition information, which now requires a 100% survey to be completed there are insufficient in-house resources to deploy to achieve this objective.
- 3.3 **Use of a Framework** - A total of four frameworks were reviewed to see if their scope would meet our specific stock condition survey requirements. A project group of Officers concluded that the single Framework offered by the National Framework provider met the Councils requirements to allow a robust procurement of a suitable contractor. It also provided the most efficient and timely process to appoint a contractor as those contractors on the Framework had already been thoroughly assessed, had submitted costs, and met the necessary terms and conditions of business for specialist Stock Condition and EPC work with Councils and Registered Housing Providers.

4 Preferred Option

- 4.1 The preferred option after evaluating the contractors (**see appendices attached**) on the Framework was to recommend the appointment of FFT to undertake the stock condition survey of all dwellings, blocks, communal areas, including an EPC for each dwelling. The company provided the most competitive price to conclude the full specification requirements of the Council, which included the full certification process and confirmation of an up to date EPC for each dwelling. It also demonstrated the best approach to the survey needs and resource allocations relating to the completion of the survey within the overall timescales required by SKDC to complete the work within 10 months.

5 Reasons for the Recommendation (s)

- 5.1 The most appropriate short-listed contractors were further rigorously challenged around the cost components for the survey requirements, and the total cost to the council were confirmed as Faithorn Farrell Timms £717,920 (Inclusive of VAT) and the alternative contractor submitted costs at £1,017,814.55 (Inclusive of VAT) the recommendation is therefore to appoint FFT.

6 Next Steps – Communication and Implementation of the Decision

- 6.1 The contractors have been contacted and given the necessary information relating to the contract timeline and data requirements, have indicated a willingness to proceed as soon as possible subject to final consideration at Cabinet in January 2021.

7 Financial Implications

- 7.1 A budget of £780,000 has been approved at the Council meeting held on the 17th December 2020 to cover the proposals detailed in the report. The scope of the approved budget should be sufficient to cover the contracted survey works, fixed term staff resource, project management, and the additional licences as indicated above. All costs will be met from the Housing Revenue Account.

Financial Implications reviewed by: Richard Wyles, Interim Director of Finance

8 Legal and Governance Implications

- 8.1 A direct award to FFT via National Framework Partnership can be made and it is in accordance with the Council's Contract and Procurement Procedure Rules and the Public Contract Regulations 2015.

Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance

9 Equality and Safeguarding Implications

- 9.1 FFT will agree to adhere to all the council's policies and procedures including contractor's code of conduct. Any specific special need requirements identified when planning access to tenants will be considered, and the contractor will liaise with the Council to ensure full compliance with equality issues, and act in accordance with any regulatory or policy needs.

10 Risk and Mitigation

- 10.1 The Council currently does not have accurate information on its stock, which needs rectifying. By procuring FFT via a Framework, they will complete a full stock condition and EPC for South Kesteven District Council urgently social housing assets. This will reduce risks associated with compliance and H&S issues, improve investment decisions, and improve the stock in a more focused and logical way. It will also allow the HRA Business plan to be reviewed, and to then reflect actual investment requirements to reduce the risk of not allocating the correct resources to meet asset investment needs. Robust project management and quality control processes will be put in place to ensure the contractor delivers the Council's requirements, and quarterly reports to Rural and Communities OSC will ensure close monitoring by members is in place.
- 10.2 The data and information collated by FFT will be checked and verified by officers prior to being validated as accurate.

11 Community Safety Implications

- 11.1 None other than to surveyors employed by the contractor, who will work in a safe and approved manner as agreed with by the contract requirements and in accordance with any Council requirements. Access to properties will be by appointment in nearly all cases, and the surveyors will be required to provide identification to tenants prior to entering a property, authenticated by the contractor and the Council.

12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

12.1 The data will enable us to produce an up to date asset investment strategy, and revised HRA Business plan. Any further major investment decisions will be made based on the Councils stated intentions to improve the environment and reduce its overall carbon footprint.

13 Other Implications (where significant)

13.1 None

14 Background Papers

14.1 None

15 Appendices

15.1 Appendix A FFT/Pelling LLP cost analysis

Report Timeline:	Date of Publication on Forward Plan (if required)	14 December 2020
	Previously Considered by:	N/A
	Final Decision date	12 January 2021