



# NORWICH City Council

**Committee name:** Cabinet

**Committee date:** 12/07/2023

**Report title:** Award of Stock Condition Survey Contract

**Portfolio:** Councillor Jones, Cabinet member for safe, strong, and inclusive neighbourhoods

**Report from:** Executive director of community services

**Wards:** All Wards

**OPEN PUBLIC ITEM**

**KEY DECISION**

## Purpose

To consider the award of the contract for stock condition surveys of housing properties:

## Recommendation:

It is recommended that Cabinet approve:

1. The award of the contract for stock condition surveys of housing properties to Fairthorn Farrell Timms LLP at a total cost of £599,250.00 for the period of one-year from 29 September 2023.
2. The proposed virement of 2023/24 HRA revenue budget to fund the proposed works, as set out within the financial implications of this report.

## Policy framework

The council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report addresses the following corporate priorities.

- People live independently and well in a diverse and safe city.
- Norwich has the infrastructure and housing it needs to be a successful city.

The Council's Housing Strategy '*Fit for the Future*' A Council Housing Strategy for Norwich sets priorities for the Council's homes and estates for the period 2020 to 2026. It identifies four primary goals, these are:

- Delivering new homes
- Maintaining and improving condition of existing housing
- Improving the use and management of our existing housing stock
- Improving our neighborhoods

The Council's Strategic Asset Management Framework 2022 sets out six policy themes including 'compliant and financially resilient management of assets.'

## **Report details**

### **Background and requirements**

1. Norwich City Council manages the maintenance and repair of its social housing property portfolio. To maintain the property stock in good condition, it is necessary to carry out detailed internal and external stock condition surveys.
2. The surveys assist the council in assessing the age and condition of each building element, which in turn helps to plan improvements that might be due in the future. The information collected helps to ensure all homes are safe and maintained to the decent standard and are fundamental for us creating a stock investment programme for the next 10 years.
3. The surveys also include Fire Re-Instatement Valuations that determine the cost of building repairs or reinstatement costs following a fire. These will be used to assess the right insurance coverage, decide how to maintain, and protect properties and help the council to make the most appropriate choices on how to allocate resources and keep residents safe.
4. These services are essential to ensure the Norwich Standard for housing is upheld so that tenants can live in safe, well-maintained homes that are fit for purpose, and comply with current social landlord legislation.
5. The scope of the contracts includes the provision for:
  - Surveys of the general structure of the properties (both internal and external) and any communal areas
  - External Inspections - the roof, rainwater goods, walls, windows, doors, fences, hardstanding areas and access paths
  - Internal Inspections- kitchen, bathroom, heating system, electrics, and insulation.
  - Identification of damp or mould issues
  - Fire Re-Instatement Valuations

6. An existing contract is currently in place to carry out stock condition surveys which is due to expire on 28 September 2023. The original contract was to carry out circa 25% surveys of stock, however a decision was made to increase these surveys to 100% to allow gain improved information of the components that make up NCC's stock and to allow for more effective future financial forecasting. A new contract arrangement covering with the same scope is required for the period of one further year which will be sufficient time to conclude a 100% stock condition survey programme so no extension or new contract arrangement will be required after 28 September 2024.

## **Procurement**

7. A suitable framework was identified via the National Framework Partnership (NFP). NFP operates on behalf of a charity (public sector body Hyde Housing Association Limited) and actively promotes frameworks within the public sector, to achieve tangible savings in conjunction with meeting current legislative requirements.
8. Suppliers were evaluated on 30% price and 70% quality.
9. The framework provides two options to award a contract: direct award and a further competition process. Appointing a supplier directly using the scores already attained on the framework is deemed a viable way to determine the suitability of a supplier on this occasion.
10. The incumbent supplier, Fairthorn Farrell Timms LLP is the first placed supplier on the framework with a price score of 50% and quality score of 33.75% making a total score of 83.75%. This contractor has carried out the initial tranche of stock condition surveys and property services have been satisfied with their approach and delivery.
11. We anticipate, subject to cabinet approval, for NFP to issue the official award to the successful suppliers after the Scrutiny call-in period.
12. The suppliers will be advised that the contract is pending continuing satisfactory supplier performance.

## **Consultation**

13. Leasehold Consultations is not required has the leasehold charging threshold will not be exceeded.

## **Implications**

### **Financial and resources**

14. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2022-26 and budget.
15. The value of the new contract from 29 September 2023 for the period of one-year to 28 September 2024 is a fixed price of £599,250. This is broken into the following two workstreams:

Surveys	£ 562,000
Fire reinstatement valuations	£ 37,250
<b>Total</b>	<b>£ 599,250</b>

16. The proposed programme of surveys forms part of ongoing identification of compliance work, reactive maintenance, and upgrade works, with expenditure profiled over two financial years as follows:

<b>2023/24</b>	<b>2024/25</b>	<b>Total</b>
£ 450,000	£ 149,250	<b>£ 599,250</b>

17. In order to provide the necessary budget in 2023/24, the following virement is proposed, with the 2024/25 budget requirement to be included within the 2023/24 budget report in February 2024.:

<b>HRA Repairs Budget</b>	<b>Current Budget £000</b>	<b>Proposed Virement £000</b>	<b>Proposed Budget £000</b>
HRA major & minor repairs	2,631	(450)	2,181
Professional advice/fees	0	450	450
<b>Total</b>	<b>2,631</b>	<b>0</b>	<b>2,631</b>

18. The contracts will be subject to ongoing review to ensure satisfactory performance and delivery of the contract by the suppliers throughout the year.

## **Legal**

19. NFP have confirmed that all of the frameworks for each contract are deemed as Services.
20. The form of contract will be a "Form of Purchase Order "call off contract produced by NFP and will be "Executed under Deed".
21. The council's Information Sharing Protocol will apply to this contract.
22. The award of the contract will be published in Find a Tender as the value is over the PCR 2015 threshold for "services".

## **Statutory considerations**

<b>Consideration</b>	<b>Details of any implications and proposed measures to address:</b>
Equality and diversity	The planned programme of surveys is not perceived to affect people because of their protected characteristics. The contract management and resident engagement processes will be used as a mechanism to learn and respond to any arising equality or diversity implications.

<b>Consideration</b>	<b>Details of any implications and proposed measures to address:</b>
Health, social and economic impact	Preventing significant harm and long-term ill health associated with potential component failures and damp associated failures.
Crime and disorder	The council has a duty to undertake these survey and remedial works. The works are also critical in the planning of measures to prevent ASB (including the installation of door entry systems and other security measures).
Children and adults safeguarding	All the surveys will be undertaken by competent surveyors. The consultants will take all reasonable steps to safeguard children and vulnerable adults and share relevant information and concerns with the council.
Environmental impact	There are no environmental implications arising from this report.

## Risk management

Risk	Consequence	Controls required
Inaccurate Asset Valuation	Inaccurate assessments could impact financial planning, investment decisions, and reporting.	Stock condition surveys should be conducted to provide up-to-date information on the condition and value of assets.
Increased Maintenance Costs	Without stock condition surveys, NCC may miss critical maintenance and /or regulatory needs, leading to increased costs. This can result in higher reactive maintenance expenses and potential asset degradation.	Implement a planned maintenance program based on the stock condition survey's findings.  As this is a contract for one year the increase in budget is within contractual parameters
Health and Safety Risks	Not conducting stock condition surveys may lead to unidentified health and safety risks within the housing stock.	Conduct stock condition surveys that assess health and safety aspects. Implement appropriate control measures to address any identified risks promptly, such as remediation or implementation of safety procedures.
Decreased Tenant Satisfaction	Lack of stock condition surveys may result in delayed or inadequate repairs and maintenance, negatively impacting tenant satisfaction.	Conduct regular satisfaction surveys and use the feedback to improve service delivery and prioritise repairs based on tenant needs.
Non-compliance with regulations	Failure to conduct stock condition surveys can result in non-compliance with regulatory requirements and standards specific to social housing. This may lead to penalties, legal disputes, and potential loss of funding or accreditation.	Conduct stock condition surveys aligned with regulatory requirements will assist NCC taking necessary actions to ensure compliance with applicable rules.

## Other options considered.

- **Do nothing:** If the surveys are not carried out, any property defects could cause extreme health and safety risks to our residents which could result in illness or even death. The reputation of the council as a landlord is subject to severe scrutiny from residents and members and will appear that we are not investing in our stock and neighbourhoods to ensure that people live well and have great neighbourhoods in line with the Corporate Plan.
- **In house provision:** Norwich City Council does not currently have any existing in-house resources.
- **Joint venture/Norwich City Services delivery:** There are no opportunities for a Joint venture to deliver this contract nor for NCSL to deliver this for the council.
- **Identify a single supplier to award the contract to without competition:** This route would be contrary to Contract Procedures as the value is approximately **£599,250**.
- **Establish competitively tendered contract with one supplier:** Run a competitive procurement exercise looking for a single supplier to meet the council's requirements. Timescales did allow for this option, but this requirement can be procured with an existing active framework with pre-approved suppliers.

**Background papers:** None

**Appendices:** None

**Contact officer:** Interim Director of Asset Management

**Name:** Brian Burton

**Telephone number:**

**Email address:** [brianburton@norwich.gov.uk](mailto:brianburton@norwich.gov.uk)



If you would like this agenda in an alternative format, such as a larger or smaller font, audio or Braille, or in a different language, please contact the committee officer above.