



REPORT TO:	Officer Decision Notice
REPORT OF:	Assistant Director- Housing
REPORT AUTHOR:	Jason King
SUBJECT:	HRA Stock Condition Surveys
PURPOSE:	To award a contract to MLCS3 for the provision of a 100% stock condition survey for the Councils housing stock.
KEY DECISION:	Yes
WARD(S) AFFECTED:	All Wards
EXEMPT REPORT?	No

SUMMARY

The Regulator of Social Housing has mandated through the approved Consumer Standards that Registered Providers must have accurate, up to date and evidenced understanding of the condition of their homes that reliably informs their provision of good quality, well maintained and safe homes for tenants. The Consumer Standards came into force on the 1 April 2024, providing an explicit expectation of the level of stock condition data providers are expected to hold.

Having reviewed the stock condition data currently held by the Council, it is considered that the Council does not hold data in sufficient depth to satisfy this requirement. The Council is therefore looking to procure the expertise of a suitably qualified contractor to carry out robust and in-depth surveys of all our residential council homes and associated assets.

Following a tender exercise, a contract will be awarded to MLCS3 at an initial expected contract value of £251,300 with the potential to award a further programme of works at the Councils sole discretion not exceeding £25,200 to achieve a 100% stock condition survey dataset.

RECOMMENDATIONS

That the Council awards a contract to MLCS3 at an initial contract value of £251,300 with the potential to award further works up to a value of £25,200 at the Councils sole discretion. The contract is expected to deliver a 100% stock condition survey programme. Works are expected to be completed within 12 months of initial instruction.

REASONS FOR RECOMMENDATIONS

Following an open tender process (which is fully compliant with UK procurement rules), thirteen tenders were received. All tenders were evaluated independently by three officers in accordance with the evaluation criteria set out in the documents provided to the bidding organisations. (40% price, 60% quality.)

Following the evaluation process the tender submitted by MLCS3 was the highest scoring tender overall.

OTHER OPTIONS CONSIDERED

Option 1- Do nothing. This is not considered a viable option, by failing to carry out an extensive survey programme, the Council will not be able to demonstrate outcomes to the Regulator of Social Housing that it holds data in sufficient depth to evidence outcomes expected by the Consumer Standards. Additionally, the Council has engaged the services of Savills to support the delivery of an updated HRA Business Plan narrative and Asset Management Strategy. This data is considered essential to inform strategic business planning documents. **Option not recommended.**

Option 2- Award the contract to an alternative contractor. This is not considered to be appropriate because, following the evaluation process, MLCS3 submitted the most economically advantageous tender. **Option not recommended.**

1. BACKGROUND

1.1 Legislative changes in the form of the Social Housing Regulation Act 2023 laid the foundation for significant changes to how social housing is managed regarding non-compliance and poor performance. It includes increased regulation of social landlords and new rules for protecting tenants from serious hazards in their home. By including the Housing Health and Safety Rating System (HHSRS) within the stock condition surveys we are procuring, this should offer a proactive approach to mitigating risk to the Council by identifying hazards, particularly around damp and mould within our housing stock and ensure we comply with the Decent Homes standard.

2. REPORT

2.1 Following a previous report to Cabinet where the necessary funds were made available to conduct this programme of surveys, a tender exercise has been concluded. The Council received thirteen tender returns in total and the successful tender scored high in both price and quality. To ensure the Council was satisfied that the proposed programme is achievable, a clarification meeting was held to further test the submissions of the winning tenderer. This concluded that following all due diligence a contract should be awarded to MLCS3.

2.2 Furthermore an initial trial survey programme will be carried out consisting of approximately 50 properties chosen by the Council. This will enable the Council to be satisfied that the quality of surveys is to the Councils explicit standard, access rates proposed in the programme are achievable and the overall expected outcomes will be delivered. Subject to any further clarification from the trial surveys, the Council anticipates

the entire survey programme to take approximately twelve months. The Council reserves the right to award additional works at its sole discretion should a need for additional surveys be identified during the programme.

3. CONCLUSION

3.1 That the Council awards a contract to MLCS3 for an initial trial survey sample of 50 properties selected by the Council. Subject to the Council being satisfied with the quality of the sample returned, a 100% stock condition survey will then be carried out on the Council's housing stock and associated assets held in the Housing Revenue Account. The initial contract value is expected to be £251,300. The Council reserves the right to award additional works up to the value of £25,200 at its sole discretion. The contract is anticipated to conclude within 12 months of the programme being issued.

4. EXPECTED BENEFITS TO THE PARTNERSHIP

4.1 There are no specific benefits to be realised by the partnership. However, the effective delivery of a sovereign partner council contract will contribute to the partnership's professional reputation.

5. IMPLICATIONS

5.1 SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

5.1.1 There are no noted implications for the partnership.

5.2 CORPORATE PRIORITIES

5.2.1 Awarding this contract will assist the Council in its continued preparations to deliver the outcomes of the Consumer Standards. It will further assist the Council in two essential strategic business planning exercises it has commissioned to deliver this year.

5.3 STAFFING

5.3.1 There are no resource implications noted at this time.

5.4 WORKFORCE CAPACITY IMPLICATIONS

5.4.1 None.

5.5 CONSTITUTIONAL AND LEGAL IMPLICATIONS

5.5.1 The procurement of this contract was subject to an open tender process managed by PSPS and therefore meets the requirements under both UK Procurement Law and the Constitutions Contract Procedure Rules.

5.6 DATA PROTECTION

5.6.1 No concerns noted.

5.7 FINANCIAL

5.7.1 The cost of delivering the works identified under this contract have been funded through an additional £276,500 added to the 2024/25 revenue budget as approved by Cabinet on the 4 June 2024.

5.8 RISK MANAGEMENT

5.8.1 None noted.

5.9 STAKEHOLDER / CONSULTATION / TIMESCALES

5.9.1 Cabinet has previously been advised of the need to carry out these surveys through seeking their approval to make the necessary funds available. The Portfolio Holder has been involved in additional contract scrutiny to ensure the Council receives the information and outcomes it requires together with ensuring the surveys minimise intrusion to tenants.

5.10 REPUTATION

5.10.1 Failure to provide evidence in sufficient depth that the Council's homes are decent, safe and free from hazards is likely to result in the Council being considered non-compliant when inspected by the Regulator of Social Housing.

5.11 CONTRACTS

5.11.1 The contract will be awarded under a JCT Measured Works 2016 contract.

5.12 CRIME AND DISORDER

5.12.1 None noted.

5.13 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

5.13.1 None noted.

5.14 HEALTH AND WELL BEING

5.14.1 None noted.

5.15 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

5.15.1 Assessing the energy efficiency of Council's homes and directing planned investment towards tackling homes with poor energy performance is considered to make a positive contribution to the Council's overall efforts to support action for climate change.

5.16 LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

5.16.1 None.

6. ACRONYMS

6.1 HRA- Housing Revenue Account.

JCT- Joint Contracts Tribunal.

HHSRS- Housing, Health & Safety Rating System.

APPENDICES

None.

BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body.

REPORT APPROVAL

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