

Report to Cabinet

28 September 2022

Subject:	Stock Condition Surveys
Cabinet Member:	Cabinet Member for Housing, Councillor Charn Singh Padda
Director:	Director of Housing Gillian Douglas
Key Decision:	Yes
Contact Officer:	Steve Greenhouse – Service Manager – Asset Management and Maintenance steve_greenhouse@sandwell.gov.uk Jonathan Rawlins – Business Manager – Asset Management and Maintenance Jonathan_rawlins@sandwell.gov.uk

1 Recommendations

- 1.1 That the Director of Housing, in consultation with the Director of Finance, be authorised to prepare tendering documentation and to procure one or more contractors, in accordance with The Public Contract Regulations 2015 and the Council’s Procurement and Contract Procedure Rules, to work on behalf of the Council, to undertake stock condition surveys to our Housing stock.
- 1.2 That the Director of Housing be authorised to award the contracts, as referred to in 1.1 above, to the successful contractor(s).
- 1.3 That the Director – Law and Governance and Monitoring Officer be authorised to enter into or execute under seal any documentation in relation to the award of the contracts.



- 1.4 That any necessary exemption be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in 1.1 above to proceed.

2 Reasons for Recommendations

- 2.1 This report seeks approval to procure, award and enter into contract with the successful contractor(s) to undertake stock condition surveys as detailed within the report to continue the substantial investment in the Council's housing stock.

3 How does this deliver objectives of the Corporate Plan?

	Quality homes in thriving neighbourhoods. This contract is required to allow Sandwell MBC to continue to maintain, upgrade and invest in its housing stock as and when required, in line with the Decent Homes Standard and regulatory requirements.
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4 Context and Key Issues

- 4.1 In 2021/22 the Housing Directorate commissioned Savills to undertake a review of the Council's performance against the Regulator of Social Housing's (RSH) Consumer Standards. The review acknowledged that whilst the local knowledge of the Council's staff is very strong in relation to its Housing Stock, its ability to evidence its condition is at present significantly compromised. Challenges in maintaining and updating Stock Condition Data (SCD), over a prolonged period, mean that the 'Golden Thread' linking this conditions data to Asset Management and Investment Priorities (and hence correctly targeted work programmes) cannot currently be demonstrated adequately.

- 4.2 In recent years the Regulator has focused increasingly on the evidence and assurance available that position relative to the Decent Homes Standard. It is also recommended that the planning of future stock investment should be based upon a foundation of sound, up to date SCD



which then shapes Strategic Priorities and subsequent Investment Planning ('the Golden Thread').

- 4.3 The Housing Directorate currently relies heavily on cloned data which limits the ability to demonstrate 'Golden Thread' linkage between up to date SCD and future investment programmes based on asset management priorities. This procurement exercise will mitigate these concerns significantly by providing a more robust and accurate data set from which the Housing Directorate can produce an informed future strategy/plan.
- 4.4 Past processes for updating SCD within in-house ICT Systems over an extended period is acknowledged as sub optimum particularly in the period of heavy internal works spend (2005-17) on whole street/estate basis.
- 4.5 It is clear from the review that the Council needs to review the position regarding the age and accuracy of SCD and that the situation must be addressed and fully understood with this then providing the platform for the Council to update its Asset Management Strategy and associated Investment Priorities within a revised 30 Year Business Plan. This plan will be presented to Cabinet for approval in early 2023.
- 4.6 It is recommended that a procurement exercise be undertaken to procure a company to deliver stock conditions surveys to a representative sample of circa 50% of our stock which will provide the Council with a robust data set for its future business planning, investment planning, zero carbon planning and sustainability modelling.



- 4.7 50% of our stock equates to approximately 14,000 surveys being undertaken throughout this proposed contract. The surveys to be undertaken will be representative and selected to cover all archetypes within the Borough, thus reducing the need to survey every property where potentially there is missing data.
- 4.8 A representative 25% sample is advised as being the optimum proportion of the stock to be surveyed to provide an accuracy level of +/-4% to a confidence level of 95% to support the development of a 30 year business plan. However, our current expectations are that the Regulator will very shortly be introducing a further reportable item within the required return for Social Landlords whereby we will be required to report the percentage of properties with a decent homes stock condition survey that is less than 5 years old. The expectation will be that we also have a plan in place to get to 100% within a reasonable timeframe thereafter. Therefore, it is felt that the proposed 50% of our stock to be surveyed will put the Council in a more advanced position to be able to ensure our compliance with this forthcoming reportable item.
- 4.9 In addition to surveying the age and condition of each building element, surveys will incorporate the anticipated future requirements of the Decent Homes Standard review and will provide energy efficiency/RDSAP data required to assess each property's energy performance. A summary of the proposed areas the survey will cover is appended to this report.
- 4.10 The detailed stock condition surveys will help us to effectively and efficiently plan improvements that will be required in the future. The surveys will therefore:
- Inform our housing stock policies and strategies, so they remain fit for purpose and reflect the realities of our communities.
 - Further develop evidence-based practice and targeted energy efficiency work in those properties with low Energy Performance Certificate (EPC) ratings.
 - Enable focused resources in key geographical areas (specific streets) and/or dwellings.



- Inform robust plans for future component replacements (kitchens, bathrooms, heating, electrics, doors, windows, roofs) to ensure homes are maintained at the right time and that we have the funds in place to successfully carry out any replacements.

4.11 Through the Clean Growth Strategy, the UK government has set a target for social housing providers to attain the minimum rating of Energy Performance Certificate (EPC) C for rented properties by 2030. To be in a more robust position to achieve this target it is imperative that the Council's baseline position is as accurate as possible and therefore these surveys are proposed to include the required information necessary to produce EPC certificates to validate the current baseline position.

4.12 All wards within Sandwell will be affected.

4.13 It is intended that each affected resident will be contacted both individually and collectively via various communications, including direct communication, detailing the scope and the purpose of the survey and it is envisaged that the survey should take no longer than one hour to complete. Residents will be encouraged to allow access for the survey to be undertaken. While in the home, the surveyor may ask to: look in the loft space, lift corners of the carpet and take small scrapings for testing from certain materials, such as Artex coated ceilings.

4.14 This report seeks the approval to procure and enter into contract with one or more companies to carry out stock condition surveys on Council housing stock across the Borough, for a contract period of between one and two years dependent upon capacity, from Jan 2023 to December 2024.

4.15 The value of this contract is estimated to be in the region of £2m.

5 Alternative Options

5.1 To continue using the SCD we have to inform investment programmes.



This option is ruled out because it is felt that the over reliance on cloned data results in a low accuracy level of the current data.

5.2 To undertake the surveys in-house.

This option is ruled out because the Council does not currently have the internal resources available to undertake the significant volumes of stock condition surveys required to meet the recommended 50% of our stock. However, once this commission has been concluded the Council intends to plan and programme a rolling programme of stock condition surveys through internal resources and ensure that the Council's stock condition data is no more than 5 years old, to ensure compliance with the forthcoming Regulators reportable item.

6 Implications

Resources:	<p>The proposed contract value of approximately £2m for undertaking stock condition surveys can be accommodated within the currently approved HRA programme by re-prioritising resources.</p> <p>The Council is currently undertaking a fundamental review of the HRA financial strategy and developing a comprehensive 30-year Business Plan. This will review the capacity within the HRA and the affordability of the investment programme in the longer term.</p>
Legal and Governance:	<p>It is intended to procure this commission via the Communities and Housing Investment Consortium (CHIC) Housing and Asset Management Services framework and following approval will be awarded in accordance with the Council's Procurement and Contract Procedure Rules and Public Contract Regulations 2015.</p>
Risk:	<p>No risks</p>
Equality:	<p>Works will be undertaken to all properties where required and as such an assessment has not been undertaken.</p>



Health and Wellbeing:	The award of this contract will assist us to ensure that our housing stock meets the current statutory minimum standard for housing, is in a reasonable state of repair, has modern facilities and services and provides a reasonable degree of thermal comfort.
Social Value	Social Value will be achieved through the inclusion of an Employment and Skills Plan (ESP) contained within the formal contract with the successful contractor. The plan will include contractual performance indicators such as work experience placements, apprenticeships in addition to school engagement and community activities.

7. Background Papers

None

8. Appendices

Appendix A – Survey Inclusions



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Property Attribute Information: -

Address

Date of Construction

House/Flat type

Elevational photographs

Internals: -

Components (kitchen, bathroom, heating, electrics wiring, external front/rear doors, windows, roof insulation)

Elements – (kitchen size, bath/basin/shower/WC/wet room, heating boiler type, heating carcass, front/rear door type, window type, roof insulation depth)

Survey will include the life cycle of all the above

Survey will include a forecasted replacement year of all the above

Externals: -

Components (roof, walls, fascia/soffit, rainwater goods, wall finish, porch, fencing, boundary walls, paths, driveways)

Elements – roof type, roof material, fascia/soffit material, rainwater goods material, wall finish type (pointed, rendered tile hung etc.), porch type, fencing & boundary wall type/material, path & driveway material

Survey will include the life cycle of all the above

Survey will include a forecasted replacement year of all the above

Decent Homes Standard Review: -

Ventilation

Home Security

Thermostatic Mixer Valves

Window Restrictors

Electrical Safety

Water Efficiency



Housing Health & Safety Rating System (HHSRS) Data

Physiological Requirements (e.g. damp & mould growth, excess cold, asbestos, carbon monoxide, radon, etc.)

Psychological Requirements (crowding and space, entry by intruders, lighting, noise)

Protection Against Infection (domestic hygiene, food safety, personal hygiene, water supply)

Protection Against Accidents (e.g. falls on the level, on stairs & steps & between levels, electrics, fire, collision...)

RdSAP/EPC Data: -

Ventilation

Boiler type/make

Main heating source

Fuel Type

Heating controls

Heating Emitter

Secondary Heating type

Water Heating type

Water Heating fuel type

Cylinder size/type

Cylinder Insulation

Air conditioning

Bathroom shower type

Electric meter type

Mains Gas

PV Supply orientation/percentage

Wall Construction

Wall Insulation Type

Wall Insulation thickness

Roof Construction

Roof Insulation location/thickness

Floor insulation thickness

Total Floor Area

Room height

Window Glazing type

Window material

