

# Report to Cabinet

**4 December 2024**

<b>Subject:</b>	Procurement of Stock Condition Surveys to Remaining 50% of Council Housing Stock
<b>Cabinet Member:</b>	Cabinet Member Housing and Sustainable Development Councillor Vicki Smith
<b>Director:</b>	Executive Direct - Place Alan Lunt
<b>Key Decision:</b>	Yes Affects more than two wards / value
<b>Contact Officer:</b>	Assistant Director Asset Management, Sarah Ager Stock Condition and Performance Manager, Ricky Jones Ricky_Jones@sandwell.gov.uk

## 1 Recommendations

For the reasons set out in the report, it is recommended that:-

- 1.1 approval is given to enter a direct award contract with Ridge and Partners LLP to conduct Stock Condition Surveys for the remaining 14,000 council housing properties;
- 1.2 any necessary exemption be made to the council's Procurement and Contract Procedure Rules to enable the course of action referred to in (1) above to proceed;
- 1.3 the Executive Director Place and the Monitoring Officer, Assistant Director – Legal and Assurance be authorised to enter a formal contract with Ridge and Partners LLP and execute under seal any documentation related to the award of the contract.

## 2 Reasons for Recommendations

- 2.1 To enable the council to be able to expedite stock condition surveys on the remaining circa 14,000 council properties and to comply with the deadline provided by the Regulator of Social Housing (RSH) for the collection of such data of December 2026.

## 3 How does this deliver objectives of the Council Plan?

Living in Sandwell	<p>Clean, Well-Maintained Public Spaces and Assets</p> <ul style="list-style-type: none"><li>• Identification of Maintenance Needs: Stock condition surveys help identify areas in need of repair or maintenance, ensuring public spaces are clean and assets like walkways, lighting, and communal areas are well-maintained.</li><li>• Resource Allocation: Understanding the condition of various assets allows for efficient allocation of resources to maintain public spaces in good condition, preventing the degradation of communal areas.</li></ul> <p>Residents Feel Safe in Their Communities During the Day and at Night</p> <ul style="list-style-type: none"><li>• Safety Hazards Identification: Surveys can uncover safety hazards in communal areas, such as poor lighting, broken pathways, or vandalized structures, which may contribute to residents feeling unsafe.</li><li>• Security Enhancements: By assessing the condition of physical security measures (e.g., fences, locks, CCTV), SMBC can take action to enhance security and improve residents' perceptions of safety.</li></ul> <p>Safe and Affordable Homes</p> <ul style="list-style-type: none"><li>• Condition of Housing Stock: Surveys assess the physical state of homes, identifying safety concerns that need addressing to ensure homes are safe.</li></ul>
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	<ul style="list-style-type: none"> <li>• <b>Energy Efficiency:</b> Surveys will include Energy Performance Certificates where applicable which will evaluate the energy efficiency of our properties, helping us to understand where we can make improvements that reduce energy costs, making homes more affordable for residents.</li> </ul> <p>Improve Outcomes for Local People on Local Issues</p> <ul style="list-style-type: none"> <li>• <b>Tailored Interventions:</b> Understanding the specific conditions of housing in different areas will allow SMBC to address local issues more effectively.</li> <li>• <b>Engagement with Residents:</b> The survey process can also involve engaging with residents to identify and prioritize issues that matter most to them, leading to more effective and relevant interventions.</li> </ul>
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## 4 Context and Key Issues

4.1 The RSH published new Consumer Standards in April 2024, which includes the requirement to meet the Safety and Quality Standard. One of the key elements of the Safety and Quality Standard requires the council to have an accurate, up to date and evidenced understanding of the condition of their homes that reliably informs the provision of good quality, well maintained and safe homes for tenants and to ensure that their tenants' homes meet the requirements of the Decent Homes Standard.

4.2 On October 30, 2024, the council were issued a 'C3' Regulatory Judgement by the RSH, highlighting the fact that there are serious failings in how the council is delivering the outcomes required of the Consumer Standards Regulatory Framework. The RSH state that the council.

*'...has been unable to provide evidence that it has a sufficient understanding of its homes to deliver the outcomes in the Safety and Quality Standard and we cannot be assured that the council is providing homes of decent quality to its tenants....'*

- 4.3 While the council is currently in the process of undertaking stock condition surveys to collect relevant data in relation to 50% of its stock (circa 14,000 properties), the RSH has insisted that the council collect data on 100% of its stock by December 2026.
- 4.4 On August 27 2024, the Cabinet Member for Housing and Sustainable Development approved the appointment of Ridge and Partners LLP to provide stock condition surveys in relation to 9,000 council homes. Appointment was via a Soft Market Engagement process, facilitated by Communities and Housing Investment Consortium Ltd (CHIC) Framework on behalf of the council. Their appointment was based on their adaptability, quality of service, and ability to meet the required timescales.
- 4.5 A direct award is recommended to Ridge and Partners LLP to complete the remaining 14,000 property surveys by December 2026. As they are already engaged in surveying 9,000 properties, they are familiar with the council's stock, have been integrated into our systems, and have developed a customised survey form that is in use. This will significantly reduce start-up time and mitigate risks associated with tight deadlines. The cost of individual surveys, estimated to be circa £100 per property also represents good value.
- 4.6 To mitigate the risk of underperformance, the Framework Contract will include provisions for termination, with the council able to terminate the engagement by providing 14 days' prior notice in writing. However, in the case of a material breach, immediate termination can be initiated if the breach is not remedied within seven days of receiving written notice.
- 4.7 Performance will be closely monitored through a series of Key Performance Indicators (KPIs), with tracking available via a Power BI dashboard. The KPIs currently in place include:
- Number of surveys completed per month (measured against a programme of delivery)
  - Percentage of appointments kept.
  - Percentage of tenants satisfied or very satisfied based on satisfaction surveys.
  - Timeliness of data uploads within the set timescales (within 30 days of survey taking place)

- Percentage of HHSRS severe hazards notified within 24 hours (expected to always be 100%, with Sandwell Council being informed while surveyors are on-site)
- Number of Quality Assurance (QA) audits conducted on-site.

4.8 Ridge have previously committed to several social value deliverables as part of the 9,000 surveys they are currently undertaken. Ridge will continue to deliver social value deliverables to this contract.

- Deliver a 3-day pre-employability programme- 'Next Chapters' for long term unemployed residents in Sandwell under the age of 24.
- Engage with SVCO and LetsGoSandwell to provide small grants of between £250 - £500 (up to a contract duration total of £1500).
- Offer at least one person under 24 years old the opportunity to engage in work experience for 2 weeks.
- Recruit 7 qualified surveyors on an 'out-worker' basis from the Sandwell and wider WMCA region.
- Deliver our one-day carbon literacy programme, Ridge Green Futures, for residents living in the areas where stock condition surveys are to be conducted.

The proxy value of these commitments is listed at £190k.

## 5 Alternative Options

5.1 Three alternative options were evaluated but not recommended for the following reasons:

- **Recruitment of an in-house surveying team:** While building an internal team would give the Council more direct control, the specialist skills required for stock condition surveys are currently in high demand. The time needed to recruit, train, and onboard such a team would make it impossible to meet the required number of surveys within the given timeframe. Additionally, this option would incur significant overhead costs and delays, further jeopardizing the project's completion by December 2026.
- **Engaging a framework for a full tender process:** While a full tender could potentially create competition, it is a time-consuming process. Given the project's tight deadline, this would create

significant delays, making it highly unlikely that the 14,000 additional surveys could be completed by December 2026. Furthermore, a traditional tender process introduces the risk of unpredictable cost fluctuations. These risks can be mitigated by continuing with Ridge and Partners LLP, where an established working relationship and agreed pricing structure are already in place, ensuring cost certainty and efficiency.

- **Direct award to another company:** Although a direct award to a different contractor would save time compared to a full tender process, it would still result in several weeks of delay due to onboarding and familiarization. Moreover, other potential direct award options were evaluated during the earlier Soft Market Engagement and were found to score lower on both quality and cost-efficiency compared to Ridge and Partners LLP. Ridge’s familiarity with the existing stock, integration into the Council’s systems, and proven performance make them the most advantageous choice.

5.2 These alternatives have not been recommended as the continuity of service, cost certainty, and proven performance of Ridge and Partners LLP significantly outweigh the potential benefits of the other options. The established processes and familiarity with the Council’s requirements provide the highest likelihood of completing the surveys within the target deadlines.

## 6 Implications

<b>Resources:</b>	<p>Financial: Approval is requested for the anticipated cost of £1,500,000 to be met through the Housing Revenue Account reserve.</p> <p>Staffing: The Stock Condition &amp; Performance Manager will manage the contract, with support from the wider asset management team.</p> <p>Land/Building Implications: Surveys will be non-intrusive, and no significant land or building impacts are anticipated.</p>
<b>Legal and Governance:</b>	<p>To meet the consumer standards and decent homes regulations we need to understand the condition of our stock.</p>

<b>Risk:</b>	<p>Without up-to-date stock condition data, landlords may be unaware of hazardous conditions like dampness, mould, asbestos, or structural issues that could endanger tenants' health and safety. This can result in legal liabilities if tenants suffer harm because of these conditions.</p> <p>Failing to hold and maintain accurate stock condition data can result in non-compliance with standards, potentially leading to penalties, increased scrutiny, or even intervention by the regulator.</p>
<b>Equality:</b>	<p>Stock condition data will allow resources to be allocated in the most effective way, preventing potentially favouring certain properties or areas over others which could lead to an inequitable distribution of housing quality.</p>
<b>Health and Wellbeing:</b>	<p>Housing Health &amp; Safety Rating System inspections will be undertaken on all 14,000 surveys identifying any hazards which will be reported directly to SMBC as they are identified</p>
<b>Social Value:</b>	<p>Ridge have previously committed to several social value deliverables as part of the 9,000 surveys they are currently undertaken. Ridge will continue to deliver social value deliverables to this contract.</p> <ul style="list-style-type: none"> <li>• Deliver a 3-day pre-employability programme- 'Next Chapters' for long term unemployed residents in Sandwell under the age of 24.</li> <li>• Engage with SVCO and LetsGoSandwell to provide small grants of between £250 - £500 (up to a contract duration total of £1500).</li> <li>• Offer at least one person under 24 years old the opportunity to engage in work experience for 2 weeks.</li> <li>• Recruit 7 qualified surveyors on an 'out-worker' basis from the Sandwell and wider WMCA region.</li> <li>• Deliver our one-day carbon literacy programme, Ridge Green Futures, for residents living in the areas where stock condition surveys are to be conducted.</li> </ul> <p>The proxy value of these commitments is listed as £190k</p>
<b>Climate Change:</b>	<p>Implications for climate change outcomes and any potential impact on the environment – none noted.</p>

<b>Corporate Parenting:</b>	Implications for Corporate Parenting responsibilities – none noted.
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## **7. Appendices**

None

## **8. Background Papers**

8.1 Cabinet Report Stock Condition Surveys September 2022

8.2 Cabinet Member Decision Report August 27 2024 – ‘Award of Stock Condition Survey Contract’.