

CABINET – 4TH FEBRUARY 2004
HOUSING STOCK OPTIONS REVIEW
THE NEED FOR A STOCK CONDITION SURVEY

HOUSING PORTFOLIO

1 PURPOSE OF THIS REPORT

- 1.1 The purpose of this report is to seek Cabinet approval to waive Standing Orders so that a stock condition survey can be completed quickly, at an estimated cost of £80,000, to inform the stock options review.

2 BACKGROUND

- 2.1 Cabinet on 5th November 2003 received a report detailing the guidance issued by the Office of the Deputy Prime Minister (ODPM) on delivering the decent homes standard and the need to submit an options appraisal by July 2005. Cabinet approved a budget of £154,000 including £80,000 for a possible stock survey. This latter sum was provisional upon getting the current stock condition information independently verified. This has now been done and the advice received is that the current information held is very unlikely to provide robust enough information to inform the stock options review. In particular the issue is whether or not the decent homes target can be sustained beyond the 10-year decent homes target set for 2010. The advice received is, therefore, to carry out a 15% sample survey of the stock in order to inform a thirty-year business plan, which is the requirement of the ODPM.
- 2.2 Timescales for completing the options appraisal are tight and to enable the whole process to be signed off by the Government Office of the South East (GOSE) before July 2005 it is necessary to complete the sample stock condition survey as quickly as possible.

3 THE STOCK CONDITION SURVEY

- 3.1 There are two elements of a successful survey. The first deals with the planning and procurement of the survey and the second the survey itself.
- 3.2 To plan and procure a survey the following are needed:
- Survey planning
 - Survey design and specification
 - Seeking suitable survey firms
 - Tendering
 - Interviews and selection
 - Survey project management
 - Quality checks
 - Data analysis and interpretation.

- 3.3 These are specialist areas and advice will need to be sought from specialist surveying practices so that the Council can be sure that the final survey information will meet the requirements of the ODPM. One organisation that has a great deal of experience in this area of work have been recommended to us by Butlers, the Council's lead consultant on the stock options process. The cost of using such a specialised consultant is estimated to be £15,000.
- 3.4 It would be normal to tender for this work but the recommendation later in this report is that Ridge and Partners, the specialist suggested by Butlers, are appointed. In addition to their experience they have also advised the ODPM on collecting, managing and using housing stock condition information and this advice formed the basis of the ODPM's guidance to councils undertaking stock condition surveys.
- 3.5 The second element to the survey is using an experience and professional survey firm to carry out the physical surveys. Ridge and Partners can advise on this issue and organise appropriate tenders from suitable companies. Advice from Ridge and Partners is that in view of the need to commence this work, as early as possible and with the market currently being saturated with demand for surveys from other local authorities, very few companies are available that could complete the work in the necessary time scale. Normally, in accordance with Standing Orders tenders from five or six companies would be sought, which would take one to two months to achieve creating delay. Ridge and Partners' advice is that they could obtain tenders quickly from a minimum of two companies for this survey work and that work on site could commence within a matter of weeks. Standing Orders would need to be waived to enable this to happen.

4 THE NEED FOR AN EXTERNAL SURVEY

- 4.1 Before making the recommendation that an external survey is necessary, three other options were considered:

4.2 Internal survey (current)

Officers have been undertaking ongoing stock condition surveys using internal resources. A review of this methodology concluded that whilst the survey provides useful information, it is not suitable in its current form for use in the context of informing a thirty-year business plan and therefore the options appraisal.

4.3 Internal survey (new)

This option was dismissed because we would not have sufficient resources to do the work in time for options appraisal. In addition an internal survey would not be acceptable to funders if large-scale voluntary transfer were to be the chosen option on completion of the full options appraisal.

4.4 The survey undertaken at the time of potential stock transfer in 1998.

This is well out of date and the current advice is that a survey should be no more than two years old for the purposes of the stock options process. This survey could have an inflationary uplift but the resulting data would be so unreliable that it could misinform the review. Again this option was dismissed.

- 4.5 It was therefore concluded that an independent external survey was the most reasonable and appropriate course of action. The expected cost of this is £65,000.

5 FINANCIAL IMPLICATIONS

- 5.1 The cost of appointing Ridge and Partners and Surveyors to carry out the survey itself are estimated to be £15,000 and £65,000 respectively making a total of £80,000, which is within the original budget allocation. These costs would fall to the Housing Revenue account.

6 ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS

- 6.1 There are no direct implications but the options review may lead to Tenants wanting additional work to improve the environment and reduce crime on estates.

7 TENANTS COMMENTS

- 7.1 A recent meeting held with the Chairman and Vice Chairman of the Tenants' Consultative Group has confirmed their understanding of the need for this survey and they have confirmed their support for the recommendations proposed in this report.

8 PORTFOLIO HOLDER'S COMMENTS

- 8.1 The current stock condition information that we considered may be sufficient, clearly is not. This is possibly one of the most of important decisions that this Council will have to make in due course. Therefore the decision needs to be based on sound information. Therefore I consider that we have no option but to support the recommendations and fund the survey as recommended.

9 RECOMMENDATIONS

- 9.1 That a waiver of the Council's Standing Orders in relation to Contracts be agreed on the grounds of urgency and due to the specialised nature of the work involved and that:-
- (i) Ridge and Partners are appointed as lead surveying consultants at a cost of £15,000 to commission, supervise and interpret the results of a stock condition survey.
 - (ii) Tenders from a minimum of two firms of surveyors, recommended by Ridge and Partners, are sought to carry out the stock condition survey.

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