



Report to:

Northwards Housing Board
15th August 2006

Item No:

9b

Title:	Stock Condition Survey		
Date:	26 th July 2006		
Author:	Paul Maidment	Tel No:	0161 227 3007
E mail:	p.maidment@northwardshousing.co.uk		
Confidential:	No		
For: (Please tick action required)	NOTING	DISCUSSION	APPROVAL √
PURPOSE OF REPORT			
The report set out the proposal for Northwards Housing to commission a Stock Condition Survey			
RECOMMENDATION			
That the Board approve that Northwards' Asset Management and Procurement Group work with Savills a) to further develop a brief, a framework for a stock condition survey to be undertaken and b) that the method of procurement is accepted as suitable to Northwards Housing.			
IMPLICATIONS			
Equality & Diversity:	There are no implications		
Financial:	There are no financial implication that were not identified in the business plan		
Staffing:	There are no implications for staffing		
Decency Target:	This will assist in reaching Northwards Housing Decency Target for 2010		
Governance:	There are no implications		
Risk Assessment:	Failure to meet tenants' expectations and capital cost overruns are both assessed as primary risks.		

Equality & Diversity Implications (Please tick where relevant):

BME	<input type="checkbox"/>	Lesbian/Gay/Bisexual/Transgender	<input type="checkbox"/>
Elderly	<input type="checkbox"/>	Single Parents	<input type="checkbox"/>
Young	<input type="checkbox"/>	Domestic Violence	<input type="checkbox"/>
Disability	<input type="checkbox"/>	Alcohol / Drug Mis-users	<input type="checkbox"/>

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	Yes	Procurement & Property	26 July 2006
Area Panel:	No		
Ward Councillors:	N/A		

1. Introduction

- 1.1** Northwards Housing has inherited a Stock Condition Survey (SCS) that was undertaken on behalf of Manchester Housing in 2001. The information is stored in an access data base which is complicated to update.
- 1.2** The data base is used to assess Northwards Housing Decency performance and has been a key tool in developing a five year investment plan. We have updated the database with all relevant Capital Programme activity over the last five years. We have also conducted further targeted Stock Condition Surveys and used local knowledge to ensure the accuracy of our data.
- 1.3** We need to refresh the SCS on a regular basis to ensure accuracy and to help us manage our investment and assets. The Audit Commission Housing Inspectorate says that excellent Housing Organisations do on a 3 year basis. That is included in the Asset Management KLOE. We have identified funding within the Capital Programme for this work. The increased level of information will further boost our confidence in the Capital Programme. We will need to carry out a further SCS in 2009 in order to guide our post decency investment strategy and asset management.
- 1.4** We reported the Property & Procurement Sub Committee in April 2006, identifying the need to work with Savills and develop the structure to undertake a SCS. AS anticipated the Stock Condition Survey was identified as an area of weakness by the Audit Commission Inspection Team. As previously proposed undertaking a new survey will eliminate this weakness.
- 1.5** The SCS will also address information on Asbestos another area we previously identified as requiring action. It will also address the Housing Health & Safety Rating System (HHSRS). The HHSRS took effect on 6th April 2006 and replaced the 1985 Act fitness standard. The Decent Home Standard now requires homes to be free of Category 1 hazards. It is now a recommendation that HHSRS should be taken into consideration in SCS.

2. Proposal

- 2.1** It is proposed that Northwards Housing commission a SCS. To procure this it is requested that approval is given to use the original tender of 2001 and commission Savills to undertake the new survey. (Savills undertook the original stock condition survey) The new SCS will be reported back within the Promaster computer system which forms part of our new Comino integrated management system.
- 2.2** This type of work would normally require an OJEU notice (Official Journal of the European Union) however; by using the original tender Northwards Housing can

save time and money. This method of procurement has been used by the proposed PFI's and the four other transfer areas. The procurement method has also been approved by the City Solicitor. The City Treasurer considered that this route meets value for money. Savills experienced at SCS and know our stock.

- 2.3** The City Solicitor has confirmed that the City Council commissioned Savills to undertake a City-wide stock condition survey. This was subsequently varied to procure further more detailed surveys for particular estates the subject of HIO options, e.g. transfers, PFIs etc

The City Council has entered into a management agreement with Northwards Housing, an arms-length management organisation, to manage and maintain its stock in North Manchester. Northwards need information on stock condition in order to prioritise investment in the managed stock so that the stock will meet Decent Homes targets since the stock is the City Council's and the City Council already has an arrangement with Savills to undertake stock condition surveys,

Northwards can ask the City Council to lend its name to the procurement of a further stock condition survey under the existing Savills contract (the procurement to be managed and paid for by Northwards) in relation to the City Council stock the subject of the management agreement with Northwards.

The City Solicitor has stated the argument is not without flaws, but was put together at the behest of Northwards, who didn't want to have to undertake a separate procurement exercise, with its attendant time and expense.

- 2.4** The new Stock Condition Survey would assist Northwards Housing in meeting the Decent Homes Standards by 2010 and plan for work after this deadline. It would allow updated information on physical stock condition along with information on the new Health and Safety Rating System and an asbestos database.

3 Conclusion

3.1 Approval has previously been granted for a working party to develop the client core brief establishing Northwards Housings requirements and ensures value for money.

3.2 The group has established the requirements of Northwards Housing. The group are now reviewing the detail of the survey and the value of the contract.

4. Recommendations

4.1 Once the details and costing are agreed (not exceeding £280K) it is requested that this be accepted on behalf of Northwards Housing by the Chief Executive or the Director of Property Services.

4.2 The Board are asked to approve that Northwards' Asset Management and Procurement Group work with Savills a) to further develop a brief, a framework for a stock condition survey to be undertaken and b) that the method of procurement is accepted as suitable to Northwards Housing.

Paul Maidment
Asset & Procurement Manager