

Part A

Report to: Cabinet
Date of meeting: 16th January 2017
Report of: Head of Community and Customer Services
Title: Procurement of Housing Stock Modelling Exercise - exemption to contract procedures

1.0 Summary

- 1.1 Local Authorities are required to understand the condition of their housing stock (all tenures) and to develop strategies/approaches to address issues of concern. The [Housing Act 2004](#) states that: *"A Local Authority (LA) must keep the housing conditions in their area under review with a view to identifying any action that may need to be taken by them"*.
- 1.2 As the last House Condition Survey was commissioned in 2008 with the subsequent report published in 2009, a survey is now required to determine the current condition of Watford's housing stock to inform the revision of the Private Sector Renewal Policy and to identify housing needs and demands.
- 1.3 The previous survey was carried out via traditional methods which involved profiling a selection of properties to be physically surveyed for housing condition and socio economic aspects. Over 1,000 surveys were conducted for sufficient data to be able to extrapolate findings to form an opinion of the housing in Watford.
- 1.4 Since 2009 there is now significantly more data available, both public access and for purchase on aspects of housing in LA areas. The council has access to some of this data through its own record keeping. For example the council has records of energy efficiency improvements as well as corporately held data such as council tax and housing benefit recipients. Our ICT now enables this data to be collated and incorporated into our GIS mapping systems. Other substantial data is available to purchase so that the council has the potential to now use modelled housing data instead of traditional methods to gain a complete and more accurate representation of the housing stock.
- 1.5 The Building Research Establishment (BRE) have an offer to Councils to collate, analyse and report on these available data sources. The BRE is in a unique position and as a former Government department have overseen the methodology, delivery, analysis and reporting on the English House Condition Survey (now the English Housing Survey) since its inception over 40 years ago. The BRE has also been responsible for the Government Guidance for Councils on undertaking Local House

Condition Surveys. Using this knowledge, the BRE have developed an alternative to the traditional House Condition Survey, known as the Housing Stock Modelling Service. This model uses information from a number of recognised high quality national surveys and data sources, including the English House Condition Survey and extrapolates them down to the local area level by establishing relationships between the national survey data and local area data such as the census and credit rating data. Data in the BRE report provides statistical information about housing conditions and the occupants of those houses which can then be used to inform local housing strategies, policies and programmes.

- 1.6 This stock modelling method will provide more detailed analysis of the stock, make use of our existing data and provide the addition of a Health Impact Assessment (HIA). The HIA report will highlight the impact of intervention measures, showing the likely savings in terms of health costs, and provide a cost benefit analysis of interventions over a 10 year period.
- 1.7 The only other organisation using similar methods is the Centre for Sustainable Energy but their sole offering is a very specialised model for fuel poverty only. This other solution does not provide a full and comprehensive stock modelling and condition intelligence service that we require to inform our future Private Sector Renewal Policy.
- 1.8 Therefore, in conclusion, the BRE offers the only housing stock modelling service, which has already been purchased by, or on behalf of over 230 other local authorities and therefore the exemption to procurement under limited market applies.
- 1.9 Under the contract procedure rules an exemption from undertaking a formal tender process can be approved where a supply or service is obtainable from a single or a very limited number of contractors. In this case this service is currently only provided by the BRE. The Managing Director was therefore asked to and agreed to sign off an exemption to the procedure rules in this case. This he did on 7th December 2016 as shown in Appendix A. There has also been an assessment that the contract provides value for money.
- 2.0 **Recommendations**
- 2.1 That Cabinet notes the Approved Exemption to the Council's Procurement Procedures in relation to the appointment of the BRE to carry out the specialist stock modelling exercise.

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Report approved by: Manny Lewis, Managing Director

3.0 Detailed Proposal

3.1 Details of the Exemption, including the estimated cost can be found at Appendix A to this report along with an extract of the Council's Contract Procedure Rules as they relate to Exemptions.

4.0 Implications

4.1 Financial

4.1.1 The Director of Finance comments that the cost of the specialist advice sought is £74,200 net to be met from the assigned capital budget.

4.2 Legal Issues (Monitoring Officer)

4.2.1 The Head of Democracy & Governance comments that under the Council's contract procedure rules exemptions can be agreed in limited circumstances including where there is a limited market in the number of suppliers who are able to perform the services required. The rules require that all exemptions are reported to cabinet and recorded in a central register held by the Corporate Procurement Manager.

4.3 Equalities

4.3.1 Not applicable in relation to this item.

4.4 Potential Risks

4.4.1

Potential Risk	Likelihood	Impact	Overall score
Potential suppliers challenge the Council's decision not to procure the supply of the services using a competitive tendering procedure.	1	4	4
Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.			

4.5 **Staffing**

4.5.1 There are no staffing implications from this report.

4.6 **Accommodation**

4.6.1 There are no accommodation implications from this report.

4.7 **Community Safety**

4.7.1 There are no community safety implications from this report.

4.8 **Sustainability**

4.8.1 There are no sustainability implications from this report.

Appendices

Appendix A Exemption Record Application incorporating an extract from Watford Borough Council's Contract Procedure in relation to Exemptions and signed approval form dated 7th December 2016.

Background Papers

No background papers were used in the preparation of this report.

File Reference

None