



ARTICLE NO: 3A

**CORPORATE AND ENVIRONMENTAL
OVERVIEW AND SCRUTINY COMMITTEE**

**MEMBERS UPDATE 2012/13
ISSUE: 1**

Article of: Assistant Director Housing and Regeneration

Relevant Managing Director: Managing Director (Transformation)

Relevant Portfolio Holder: Councillor V. Hopley and Councillor A. Owens

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**SUBJECT: EXCEPTION TO CONTRACT PROCEDURE RULE NUMBER 6 -
ENGAGING SAVILLS TO PRODUCE A NET PRESENT VALUE ANALYSIS OF THE
HOUSING STOCK**

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

- 1.1 To inform Members of the exception to contract procedure rule number 6 granted by the Managing Director (Transformation) to appoint Savills to produce a net present value analysis of the Councils retained housing stock.
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2.0 BACKGROUND

- 2.1 Savills were appointed in 2011 to produce a 25% housing stock condition survey in readiness for self-financing. This project was completed on time and in budget.
- 2.2 Officers in consultation with tenants the LSC and Cabinet have produced a housing sustainability model. Officers feel the model developed needed to include the Net Present Value (NPV) of properties as an additional sustainability indicator.

3.0 CURRENT POSITION

- 3.1 Officers proposed to engage Savills, who are experts in this field and are familiar with our housing stock having carried out the recent stock condition survey, to produce this NPV analysis.

- 3.2 Savills are experts in the housing finance field and having reviewed samples of their work, officers considered it to be of a very high quality.
- 3.3 It is essential the correct investment decisions be made to ensure the sustainability of the housing stock and the long-term robustness of the housing business plan.
- 3.4 Obtaining quotations from various consultants was considered in addition to awarding the work directly to Savills. However, as a Professional Services Hub of which the Council is a member, was in place, which Savills won, this was considered to be inappropriate.
- 3.5 On balance it was decided to grant an exception to contract procedure rule number 6 and engage Savills to carry out the piece of work.

4.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 4.1 There are no additional significant sustainability impacts associated with this article and, in particular, no significant impact on crime and disorder. However, the decision recorded in this article will work to ensure sustainable investment in the Councils retained housing stock.

5.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 5.1 Budget provision for Asset Management work was made at Council on the 29th February 2012.
- 5.2 A fee proposal has been received from Savills to carry out this work, which totals £24,750, which will be met from the established budget.
- 5.3 The fee for the work is calculated based on the rates set out in the Professional Services Hub of which the Council is a member. This was tendered competitively by 'Places for People', which Savills won. Documents relating to this and an independent duty of care document are held within Property Services.

6.0 RISK ASSESSMENT

- 6.1 This item is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this report.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this article.

Equality Impact Assessment

The article does not have any additional direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None.