



<b>Title: Procurement of Rural Housing Enabler.</b>	
<b>For further information about this report please contact</b>	<i>Ken Bruno ext 6335</i>
<b>Wards of the District directly affected</b>	<i>All rural areas</i>
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	Yes. It includes commercial information.
<b>Date and meeting when issue was last considered and relevant minute number</b>	N/A
<b>Background Papers</b>	N/A

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes (606)
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	6/3/14	Andrew Jones
Head of Service	6/3/14	Andrew Jones
CMT	6/3/14	Chris Elliott
Section 151 Officer	20/3/14	Mike Snow
Monitoring Officer	6/3/14	Andrew Jones
Finance	7/3/14	Susan Simmonds
Portfolio Holder(s)	7/3/14	Cllr N Vincett
<b>Consultation &amp; Community Engagement</b>		
None		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1 SUMMARY**

- 1.1 This report seeks agreement to re-commission Warwickshire Rural Community Council (WRCC) to provide the Rural Housing Enabler service for 12 months from 1<sup>st</sup> May 2014 without a procurement exercise.

## **2. RECOMMENDATION**

- 2.1 That Executive approves an exception to the Code of Procurement Practice to enable Warwickshire Rural Community Council to be commissioned to provide the Rural Housing Enabler service for a further 12 months.

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1 The council has for a number of years used external consultants to provide a Rural Housing Enabler (RHE) service for the district. This has been, and is currently being, delivered by the Warwickshire Rural Community Council on a 12 month contract that runs from 1<sup>st</sup> May 2013 to 30<sup>th</sup> April 2014.
- 3.2 Although the project is procured on a twelve-monthly basis it is in practice an ongoing project. The principal roles of the RHE are to:
- Advocate for small affordable housing schemes in rural areas and gain the support of parish councils and rural communities;
  - Carry out housing needs surveys in parishes, analysing, collating and reporting the results; and
  - Identify and progress development sites to meet the identified needs, maintaining dialogue with the parish council and local community to retain local support for the scheme as it progresses.
- 3.3 This is a time-consuming process: to first persuade a local community to support an affordable housing project and then to maintain that support all the way through to completion is clearly a long-term proposition where continuity of supplier is extremely important. A scheme at Cubbington that has just been granted planning consent relates back to a needs survey that was undertaken by WRCC in November 2009 and the work to engage the parish would have started even earlier.
- 3.4 There can also be a lot of abortive work involved in cases where local support cannot be achieved or sustained throughout the process.
- 3.5 The WRCC is a locally-based organisation, operating from Warwick Enterprise Park near Wellesbourne, working solely in Warwickshire and Solihull and has relationships with the local parish councils as it has, over time, approached most if not all of them with a view to carrying out a needs survey and in many cases has actually worked with them on a survey. It also works on other projects in and with the local rural communities.
- 3.6 The advantage of using WRCC is therefore that they are seen by parishes as being independent of the district council and "on the side" of rural communities in Warwickshire while also being overtly pro-affordable housing.

- 3.7 The results of housing needs surveys are important for both housing strategy and planning policy deliberations.
- 3.8 The cost of the service in 2013/14 was £8,000 for 9.5 hours per week over 12 months.
- 3.9 It is not known whether there would be another contractor locally who could perform the function. There may be service providers from further afield who could tender for the work but outreach and travel are significant and integral parts of the service and the costs of these are likely to be higher for companies that are not local. For a fixed hours contract, the more of the officer's time that is spent travelling the less time is available for productive work.
- 3.10 Furthermore a new service provider would have to start from scratch and build relationships with the local communities and parish councils so in terms of quality of bids WRCC would have a substantial inbuilt competitive advantage.
- 3.11 Permission is therefore sought to procure WRCC for a further twelve months without the requirement to obtain three quotations.
- 3.12 The intention is that this will then be considered again as part of the review of contracts in Housing & Property Services to decide how to handle this in future.

#### **4. POLICY FRAMEWORK**

- 4.1 **Policy Framework** - No changes to Council policies. The report is seeking an exemption to the Procurement Policy.

#### **5. BUDGETARY FRAMEWORK**

- 5.1 The cost of the service for 2014/15 will be £8,080 and has been budgeted for.

#### **6. RISKS**

- 6.1 The main risk from this proposal is that there is an alternative contractor who could provide a similar level of service at a cheaper cost. However for the reasons set out in section 3 above this is felt to be unlikely. Furthermore given the relatively low cost of the service any savings are unlikely to be substantial and would be offset by the long lead-in time that a new contractor would have in becoming established with the parish councils in the district.

#### **7. ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 There is an option to cease to have a RHE service at all in the district. However this would result in rural housing schemes becoming even more difficult to progress and housing strategy and planning policy would not be able to be based upon identified needs.
- 7.2 The second option is to provide the service in house. However this would mean that identifying rural housing needs would have to be done by internal staff who do not have the knowledge and expertise to do so and no internal resources are available.

7.3 Alternatively three quotations could be sought for the service. This may identify other potential providers. However the procurement criteria would need to take account of quality as well as cost and the WRCC would have a significant inbuilt advantage for the reasons set out in section 3 above which would almost certainly outweigh any cost savings that could be achieved on an £8,080 contract.