

Title of Report	AUTHORITY TO AWARD GREEN HOMES GRANT PHASE 1B IMPROVEMENT CONTRACT 2021	
Presented by	Councillor Roger Bayliss Housing, Property and Customer Services Portfolio Holder.	
Background Papers	None	Public Report: Yes (Confidential appendix)
		Key Decision: Yes
Financial Implications	These procurements will cover expenditure over Quarters 1 and 2, 2021 part-funded from the current 2021-22 budget, subject to a virement or additional revenue resources being made available within the year in order to meet the expenditure requirements of accepting the grant.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	Advice on procurement has been sought from the Corporate procurement Officer and Legal Services.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct staffing implications. This proposal supports Council Priorities.	
	Signed off by the Deputy Head of Paid Service: Yes	
Purpose of Report	To seek delegated authority to award the Green Homes Grant Phase 1B Improvement Programme Contract(s) to the Strategic Director in consultation with the Housing, Property and Customer Services portfolio Holder and Section 151 Officer.	
Reason for Decision	The level of expenditure on the proposed contract exceeds the authority level in the Scheme of Delegation.	
Recommendations	<p>THAT CABINET:</p> <p>DELEGATES AUTHORITY TO AWARD THE GREEN HOMES IMPROVEMENT PROGRAMME PHASE 1B CONTRACTS TO THE STRATEGIC DIRECTOR (HOUSING) IN CONSULTATION WITH THE HOUSING, PROPERTY AND CUSTOMER SERVICES PORTFOLIO HOLDER AND SECTION 151 OFFICER.</p>	

	<p>SPECIFICALLY FOR THE DIRECT AWARD OF CONTRACTS:</p> <p>1. INSTALLATION OF GREEN HOMES ENERGY EFFICIENCY MEASURES;</p> <p>2. DOMESTIC ENERGY ASSESSOR SERVICES</p>
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1.0 BACKGROUND

- 1.1 In July 2020, the Chancellor announced £2 billion of support through the Green Homes Grant Scheme (GHG) to save households money; cut carbon emissions; and create green jobs. £500m of this support was allocated to English Local Authority (LA) delivery partners, through the Local Authority Delivery (LAD) scheme. To access grant funding, LAs had to submit competing bids with each bid having to satisfy strict criteria. Grant funding is being released in a series of phases, with tight delivery timetable attached to each one.
- 1.2 The Department for Business, Energy and Industrial Strategy (BEIS) launched an initial competition (Phase 1A) in August 2020 with a delivery deadline of March 2021 for all proposed works projects and subject to a minimum bid of £500,000. The Council prepared a bid but were unable to submit it, as it didn't meet the minimum threshold for value, and a suitable consortium approach could not be identified.
- 1.3 In October 2020, following feedback on Phase 1A which was undersubscribed, BEIS announced a second round (Phase 1B) with LAs required to submit bids by 04 December 2020. Each bid had to be for a minimum of £250,000 of grant funding with its aim to raise the energy efficiency of low-income and low Energy Performance Certificate (EPC) rated homes. It focused on those households living in the worst quality off-gas grid homes, delivering progress towards: reducing fuel poverty, the phasing out of high carbon fossil fuel heating and the UK's commitment to net carbon zero by 2050.
- 1.4 Delivery deadline for works projects benefitting from a Phase 1B bid is 30 September 2021 with all successful bidders to be notified in January 2021.
- 1.5 The Council submitted its GHG Phase 1B bid on 04 December 2020 and on 27 January received notification that it has been successful. The bid focussed on delivering a variety of energy efficiency measures to 56 qualifying council tenants homes. The measures include the installation of air source heat pumps, external wall or cavity wall insulation, loft insulation, solar photovoltaic panels and low energy light bulbs. To be eligible for the GHG funding, each property in receipt of works requires an existing EPC-rating of Band D to G and its occupants must have a combined income under £30,000 per annum.
- 1.6 The value of the grant awarded is £264k, with a contribution required from the Council of £437k, making a total scheme value of £701k.
- 1.7 Our bid followed GHG "Best Practice" Guidelines in stipulating any contractor installing energy efficiency measures on the Council's behalf will be Trustmark-registered with all works certified to PAS 2035:2019. Housing's in-house teams currently do not have the necessary accreditation or capacity to deliver the identified works by the 30 September deadline and so we need to procure the services of a suitably competent, specialist contractor.

1.8 The appointment of such a contractor will:

- Ensure delivery compliance with our bid in terms of the quality of delivered works and deadline for completion;
- Facilitate learning opportunities for what in-house teams perceive as a pilot project on a journey towards a future expansion in commercial operations;
- Enhance our reputation with the BEIS when submitting similar future bids.

1.9 We also do not currently have a retained accredited domestic energy assessor (DEA). A DEA is essential for the production of EPCs, both to aid final selection of eligible homes and to support future GHG applications for payment to BEIS.

2.0 PROPOSED PROCUREMENT - INSTALLATION OF GREEN HOMES ENERGY EFFICIENCY MEASURES

2.1 Consortium Procurement Construction's (CPC) N8 Energy Efficiency Measures and Associated Works Framework is a UK-compliant procurement route to access the specialist supplier the Council require. The Framework commenced on 09 November 2020 and is therefore an example of recent market testing.

2.2 CPC evaluated tenders from potential framework suppliers using a weighing of 60% quality 40% price, with scores allocated to the following specific areas:

- Accreditation, warranties and product training
- Project resource
- Defects resolution
- Contract management
- Safe working
- Customer care
- CDM compliance
- Social value

2.3 Work stream 1 (WS1) of the Framework covers the provision of 21 different energy efficiency measures across 3 value bands. Confidential Appendix 1 Table 1 shows the specific energy efficiency measures to be delivered to comply with our GHG bid. The CPC framework suppliers in ranking order for each within the East Midlands region are shown in this confidential Appendix.

2.4 It is proposed to select Arron Services as our contractor on the basis that they are listed for each measure (ranked no. 1 for 4 measures) and a single contractor will simplify delivery of the works and associated contract management, and provide an opportunity for project efficiencies.

3.0 PROPOSED PROCUREMENT - DOMESTIC ENERGY ASSESSOR SERVICES

3.1 CPC'S N8C Energy Efficiency Consultancy Services Framework commenced on 01 June 2020 and, as with the above framework, is compliant with UK procurement regulations. The aim of the Framework is to provide support services to specifically aid the planning and delivery of the energy efficiency measures provided under the above CPC N8 Framework.

- 3.2 The scope of consultancy works covered by the N8C Framework includes building energy management, project management and building energy certificates. The original tender evaluation by CPC was based on a weighing of 60% quality: 40% price, with Currie and Brown UK Limited emerging as no.1 ranked supplier as detailed in Confidential Appendix 1. It is this supplier we propose to select as our domestic energy assessor.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The successful GHG bid was for £264,000 funding from BEIS towards the anticipated cost of the proposed works. The total anticipated cost of the works is £701,000, requiring a contribution from the Council of £437,000. The proposed works must be completed by the deadline of 30 September 2021 to qualify for the grant.
- 4.2 There is a £250k zero carbon programme approved for 2021/22, which can be used to fund this work. The additional cost pressure will be picked up either through a virement from any identified underspending during the year, or additional revenue contribution to capital outlay using the HRA's reserves (which are forecast to be over £6m at the end of March).

5.0 URGENT ITEM

- 5.1 The approval of the Chairman of the Council has been given to the exemption of the Council's Scrutiny Procedure rules in relation to the call-in of the decision on this item, since any call-in would prejudice the ability of the council to appoint contractors to undertake the works required by the deadline set by BEIS in their grant offer. The Chairman has considered the grant terms and agrees that the matter before Cabinet is urgent for this reason.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Support for businesses and helping people into local jobs - Developing a clean and green district - Local people live in high quality, affordable homes -
Policy Considerations:	Contract procurement rules within the constitution
Safeguarding:	Suppliers will be required to follow the Council's Safeguarding Policy and procedures.
Equalities/Diversity:	No direct implications identified
Customer Impact:	Delivery of the works will improve the energy efficiency of tenants' homes, improving the comfort of their living space whilst also reducing their fuel bills.
Economic and Social Impact:	Reduced fuel bills for tenants provides an opportunity to spend more money on other essentials such as an improved diet and the prospect of better health.
Environment and Climate Change:	The identified works will contribute to local and National initiatives towards a carbon net zero economy.
Consultation/Community Engagement:	None identified.
Risks:	All risks have been mitigated by officers.
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