

Title of Report	APPOINTMENT OF CONTRACTOR TO COMPLETE GREEN HOMES GRANT PHASE 1B EXTENSION WORKS TO 30 PROPERTIES.	
Presented by	Councillor Roger Bayliss Housing, Property and Customer Services Portfolio Holder	
Background Papers	<u>Report to Cabinet 2 March 2021 – AUTHORITY TO AWARD GREEN HOMES GRANT PHASE 1B IMPROVEMENT CONTRACT 2021.</u>	Public Report: Yes
		Key Decision: Yes
Financial Implications	This procurement will result in expenditure in Quarter 4 with part-funding from the current 2021-22 Capital budget and the remainder from Green Homes 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 Deputy Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no direct staffing implications. This proposal supports Council Priorities	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek cabinet approval to award the Green Homes Grant Phase 1B Extension Works Contract.	
Reason for Decision	The level of expenditure on the proposed contract exceeds the authority level in the Scheme of delegation.	
Recommendations	THAT CABINET APPROVES THE AWARD OF THE GREEN HOMES GRANT PHASE 1B EXTENTION WORKS CONTRACT TO AARON SERVICES LIMITED.	

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; 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.

- 1.2 In August 2020, The Department for Business, Energy and Industrial Strategy (BEIS) launched an initial competition (Phase 1A) for funding bids over £500,000 for projects with delivery deadlines of March 2021. This was followed in October 2020 by the announcement of 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, including those 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 zero by 2050.
- 1.3 Housing submitted its £263,000 GHG Phase 1B bid on 04 December 2020 and on 27 January 2021 received notification that it had been successful. The bid focussed on delivering a variety of energy efficiency measures to 56 council homes by 30 September 2021. The measures, valued at £701,000, included 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 had to have an existing EPC-rating of Band D to G and its occupants a combined income under £30,000 per annum. This work was successfully completed by the deadline of 30 September 2021.
- 1.4 In April 2021, the contract for the delivery of all required GHG improvement works was awarded to Aaron Services. The Supplier commenced the works in June and subsequently completed the project on time, to budget and to the required quality standard. With the works completed, the contract with the Supplier has expired.
- 1.5 In September 2021, Housing received confirmation of a second successful Green Homes Grant bid – this time for £150,000 of funding towards project works to 30 homes estimated at £450,000. The energy measures to be delivered are the same as previously delivered to the original 56 homes, but with the original contract having now expired and no current in-house resource with either the necessary capacity or full skills profile to deliver the works by the required deadline, an external Supplier needs to be urgently procured

2.0 PROPOSED PROCUREMENT

- 2.1 Aaron Services contract award was a call-off under Consortium Procurement Construction's (CPC) N8 Energy Efficiency Measures and Associated Works Framework. The appointment was on the basis that the Framework is a UK-compliant procurement route and the Supplier is ranked no. 1 under the Framework for 4 of the 5 required energy measures, ensuring value for money.

Experience from the completed GHG Works contract showed the decision to appoint Aaron Services as sole-Supplier aided coordination of the works and contract management.

- 2.2 The Framework allows call-offs until November 2024 and it is proposed to award Aaron Services a second contract (on the same basis as the original) to deliver Green Homes Grant Extension Works to 30 Homes by 31 March 2022.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The estimated value of the project is £495,000. The figure includes a contingency of £45,000 as the actual cost will be dependent on surveys to individual homes. The survey will identify the energy efficiency measure(s) deemed necessary to lift each home to a C-rating or above.

3.2 £150,000 of the project budget will be funded by the Green Homes Grant, requiring a contribution from the 2021/22 Home Improvement Programme of up to £345,000.

4.0 WAIVER OF CALL IN

4.1 The approval of the Chairman of the Council has been given to the exemption of the Councils 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.

Policies and other considerations, as appropriate	
Council Priorities:	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 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 identified risks have been mitigated by officers and ongoing delivery project management will manage any arising risks.
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