

## EXECUTIVE DECISION RECORD SHEET

|   |                                      |
|---|--------------------------------------|
| <b>Name of decision maker:</b>            | <b>Councillor Margaret Griffiths</b> |
| <b>Portfolio:</b>                         | <b>Housing and Regeneration</b>      |
| <b>Date of Portfolio Holder Decision:</b> |                                      |

|   |
|---|
| <b>Title of Decision:</b>                           |
| <b>External Insulation of Solid Wall Properties</b> |

|   |
|---|
| <b>Decision made and reasons:</b>   |
| That the Council sets aside its Procurement Standing Orders and awards a contract to carry out additional energy efficiency works through the Apollo/Keepmoat partnership. This allows the Council to utilise an existing partnership agreement and access maximum ECO funding. |

|  |
|--|
| <b>Reports considered: ( here reference can be made to specific documents)</b> |
| Officer report attached.   |

|  |
|--|
| <b>Has budget been approved? (provide budget codes):</b> |
| Costs for works will be allocated from existing budgets. |

|  |
|--|
| <b>Officers/Councillors/Ward Councillors/Stakeholders Consulted:</b>   |
| Elliott Brooks – Assistant Director of Housing<br>Calvin Fisher – Group Manager Property & Place<br>Simon Smith – Team Leader Property & Place<br>Ben Hosier – Group Manager Commissioning, Procurement & Compliance |

|   |  |
|---|--|
| <b>Monitoring Officer comments:</b>         | No further comments to add to this report  |
| <b>Deputy Section 151 Officer comments:</b> | The Council will not incur any additional financial commitment as a result of taking this Decision. Financial commitment will not be incurred unless a decision is taken to proceed with the project; a decision which will be taken based on the completed feasibility study. |

|                      |  |
|----------------------|--|
| <b>Implications:</b> | The Council has a commitment to maintain and improve its housing stock. This is already achieved through the external decorations programme that Apollo undertakes on our behalf. Including energy-saving measures as part of the external decorations programme, such as External Wall Insulation (EWI), enhances our stock value and performance and tackles Fuel Poverty. |
| <b>Risk:</b>         | The ECO funding stream currently includes works such as EWI, however the funding will not be available forever and the Council risks having to fund 100% of these works themselves if they do not award a contract to  |

## EXECUTIVE DECISION RECORD SHEET

|  |   |
|--|---|
| <b>Value for Money:</b>                              | contractors who currently have the funding available.<br>Incorporating EWI within the existing external decorations programme allows the Council to save money on access equipment and increases the scales of economy. Savings will also be made as external painting will not be required where EWI is installed. Plus the EWI has a guarantee of 25 years meaning the dwelling will not need re-painting every eight years, as specified on the current programme. Apollo has secured an ECO funding level that is more attractive to that currently being offered by other organisations. |
| <b>Options Considered and reasons for rejection:</b> |   |

|  |
|--|
| <b>Portfolio Holders Signature:</b>  |
| <b>Date:</b>   |
| <b>Details of any interests declared and any dispensations given by the Standards Committee:</b> |

| For Member Support Officer use only                        |              |
|--|--------------|
| Date Decision Record Sheet received from portfolio holder: |              |
| Date Decision Published:                                   | Decision No: |
| Date of Expiry of Call-In Period:                          |              |
| Date any Call-In received or decision implemented:         |              |

### Officer Report

The Council is committed to improving the energy efficiency of its housing stock. We tackle Fuel Poverty and try to ensure tenants can afford to stay warm at home. We have achieved this through the installation of energy efficient measures such as new windows, boilers, doors and insulation.

Having previously accessed funding through the Carbon Emissions Reduction Target (CERT) loft and cavity wall insulation has been installed throughout the Borough. The Council continue to plan to insulate homes and access Energy Company Obligation (ECO) funding to help deliver these works.

ECO funding is designed to deliver energy efficient improvements for hard to treat homes, such as solid wall properties. ECO funding became accessible from 28<sup>th</sup> January 2013 and there is additional funding for authorities who can put together and deliver schemes now.

As our Long Term Partner we have engaged with Apollo to help understand ECO and what it can provide for our stock. We have identified an area of the borough where there are 154 Council owned solid wall properties. To improve the thermal performance of these properties we want to install External Wall Insulation (EWI). This form of work is eligible for ECO funding.

## EXECUTIVE DECISION RECORD SHEET

Apollo is currently responsible for our planned external decorations programme that includes replacing fascias, soffits, bargeboards, canopies and gutters. An element of these works (if not all of them) would be required during the installation of EWI. Also, the solid wall properties we are looking to treat would usually have the external walls painted, but this will not be necessary as the EWI satisfies this requirement.

As the properties are applicable for external decorations it is logical to look at installing EWI at the same time, therefore saving money on access equipment. Apollo has a good working knowledge of these properties and has carried out extensive surveys so that we can understand the costs and implications of installing EWI. We have previously worked with Apollo on delivering EWI and have confidence in the quality of workmanship.

ECO is a new stream of funding for social landlords and we have undertaken some soft market testing to understand what other companies/contractors can offer. It is widely accepted that EWI to properties with gas central heating could attract approximately 60% funding. By setting aside our Procurement Standing Orders and awarding a contract direct to Apollo we can move promptly and access additional funding resulting in 81% of the costs being met by ECO funding.

Section 3 of the current Procurement Standing Orders includes a provision for an exception to these Standing Orders but only under special circumstances. Advice has been sought from the Group Manager Commissioning, Procurement & Compliance as to whether the direct award of the contract to Apollo to gain access to the additional ECO funding could be considered to be special circumstances. The advice has been that the reasons stated are justified and that the recommendation to set aside the Procurement Standing Orders is in order.

Below is a table of the indicative costs of this project. The total cost of the scheme is £1,268,517 meaning it falls below the relevant OJEU procurement threshold for works contracts. If the project can proceed soon then ECO funding will cover approximately 81% of the costs, the Council would need to pay the remaining £245,770. This would come from existing budgets for insulation and energy efficiency works.

| <b>Proposed Project Total Sum</b>                                     | <b>£1,268,517</b> | <b>% of total</b> |
|---|-------------------|-------------------|
| Total for ECO Subsidy (provided by Keepmoat)                          | £922,747          | 72.7%             |
| DBC Contribution  | £345,770          | 27.3%             |
| Green Deal 'Go Early' Cashback Contribution (facilitated by Keepmoat) | £100,100          | 7.9%              |
| <b>Revised DBC Contribution</b>                                       | <b>£245,770</b>   | <b>19.4%</b>      |

The 154 properties where work would take place fall in the following streets –

- Bassil Road
- Deaconsfield Road
- Runham Road
- Seaton Road
- St Albans Road
- Wood Crescent

Should the scheme go ahead all residents will be consulted prior to work commencing and a Resident Liaison Officer will oversee the works. As well as improving the appearance of the dwellings the EWI will also save tenants money on their fuel bills. We trialled EWI at two properties in the area and the tenants have been happy with results. Consequently other

## **EXECUTIVE DECISION RECORD SHEET**

tenants have asked for the same work and this project would allow us to regenerate and improve a whole neighbourhood.