

Central Bedfordshire Council

EXECUTIVE - 9 December 2014

Award of Contract to Carry Out External Wall Insulation Work

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This report relates to a Key Decision

Purpose of this report

1. This report recommends the award of a contract to install external wall insulation to 82 Precast Reinforced Concrete dwellings in Aldbanks, Dunstable. The investment is part of an annual multi million pound programme to maintain and improve the Councils housing stock. This work will improve the quality and prolong the life of the properties whilst increasing their thermal efficiency, reduce carbon emissions and contributing towards meeting the energy targets.

RECOMMENDATIONS

The Executive is asked to:

1. **as part of the Councils ongoing investment to maintain its housing stock, award the contract to insulate the external walls to Council Housing as part of an ongoing investment programme.**

Overview & Scrutiny

2. This item has not been considered by Overview and Scrutiny.

Issues

3. The Housing Asset Management Strategy (HAMS) is designed, amongst other things, to maintain and improve the Councils housing stock. Priority 6 of the Housing Asset Management Strategy requires improved energy efficiency of the Council housing stock, reduced carbon emissions and reduced heating costs. It set a target of having an average Standard Assessment Procedure (SAP) of 71 by 2015 with no stock having a SAP rating of less than 65. When this target is achieved it is estimated that our tenants will save an average of £118¹ on their heating bills.
4. This report recommends the award of a contract to install external wall insulation to 82 PRC dwellings in Aldbanks, Dunstable as part of meeting priority 6. This will increase the average SAP rating to 71 and save in the order of 2041 tonnes of carbon emissions over the next 30 years².

Reasons for decision

5. This contract helps to meet Priority 6 of the Housing Asset Management Strategy (HAMS) to ensure the housing stock is kept in good repair and meets tenants' current and future expectations.
6. A structural survey carried out in 2011 recommended the over cladding of these properties as a cost effective approach to prolonging the life of the stock.
7. The contract has been procured through the Fusion 21 Framework. This saves around £2,000 per property when compared to other frameworks and conventional tendering arrangements due to economies of scale and bulk purchasing power. Going forward and where appropriate other corporate energy conservation contracts being used elsewhere in the Council will be considered. It is also intended that the framework may also be used for future work using mini competitions as the means of procurement.

Council Priorities

8. The actions support the Council priorities by:
 - a. Making a positive contribution towards employment and training initiatives that will benefit the community within Central Bedfordshire by providing local employment opportunities.

¹ Savings calculated as an average based on energy conservation measures applied to across the stock.

² Calculated using Ofgem methodology and Rd-sap software. Property dimensions have been used to calculate the annual and lifetime energy efficiency (provided as a carbon tonnage) following the application of a 100mm external wall insulation system.

- b. Generating efficiencies and value for money through economies of scale, supply chain management and improved working practices.
- c. Promoting health and wellbeing and protecting the vulnerable by improving the thermal efficiency of homes.

Corporate Implications

Legal Implications

- 9. The work has been procured through the Fusion 21 Procurement for Housing Framework Agreement which was competitively tendered in accordance with the Official Journal of the European Union.

Financial Implications

- 10. The approved Housing Revenue Account (HRA) annual budget programme includes £800K in 2014/15 for energy efficiency work.
- 11. All funding is from the Housing Revenue Account and included in the Landlord Services Business Plan.
- 12. The larger energy companies have a legal obligation to deliver energy efficiency measures to domestic energy users and there is a market for the purchase of carbon. ECO funding has already been secured for this scheme as a result of carbon savings which will offset the capital costs by around 8%.

Equalities Implications

- 13. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 14. As part of the framework tender evaluation process contractors were required to demonstrate their Equalities Policy and procedures and incorporate this commitment within their method statements. As part of ongoing contract monitoring arrangements, the Council will check that statutory service delivery and employment requirements relating to equality are being met. Individual equality assessments will be carried out on a project specific basis as work is called off the framework.
- 15. Management of the works will facilitate accessibility for older people and those with disabilities.

16. The work primarily affects the exterior of the properties and the contractor, by careful planning, is required to minimise the level of disruption to residents. Close contract monitoring will be needed to ensure that targets are met and that work to achieve such targets is not impacting adversely on vulnerable tenants.
17. Energy conservation works relate to the age, condition and current SAP ratings of the property, not the vulnerability of the tenant. However, when work to a property is being planned and carried out, the needs of the tenant will be taken into consideration.

Risk Management

18. The following risks have been identified:
 - Failure to deliver the external wall insulation programme
 - Failure to effectively utilise the 2014/15 budget provision for the purpose intended
 - Failure to deliver value for money
 - Failure to deliver the Housing Strategy (i.e. to ensure that the housing stock is kept in good repair and meets tenants' needs and expectations) and other council priorities.

Public Health

19. The installation of external wall insulation is designed to improve the housing stock and contribute towards improving and maintaining health and well being for Council housing tenants. This will improve SAP ratings making properties warmer and less expensive to heat.

Sustainability

20. All waste transfer and consignment notes will be held on site and available for inspection and all skips and waste will be suitably stored on site. All waste streams will be identified and suitable storage obtained and segregated containers will be available for hazardous waste such as asbestos. All asbestos containers will be removed from site daily. All skips will be secured within the site perimeter and will be free from waste accumulation.
21. In line with the Council's Housing Asset Management Strategy, contractors will be expected to demonstrate the same level of commitment to environmental sustainability as the Council. Contractors will be expected to ensure any waste from programmes is minimised. A recycling target of 90% has been agreed in respect of this contract.

Procurement

22. The Framework Agreement has been tendered in accordance with OJEU regulations and meets the Council's Corporate Procurement Rules. The Council has legitimate right of entry to the Framework as an associate member through an access agreement. The chosen route to market provides value for money as the prices have been competitively tendered and have been benchmarked against current prices and compare favourably with previous CBC schemes.
23. 37 Tenders were received to join the Framework and therefore evaluated and 18 contractors were accepted on to the Framework. The criteria used for evaluation included financial status, background information, business probity, quality of service and references.

Conclusion and next Steps

24. Carrying out this work will improve the energy efficiency of the Council's housing stock, reduce carbon emissions and reduce heating costs. The award of the contract through the Framework Agreement represents best value for money and achieves significant savings when compared to other frameworks and conventional tendering arrangements.
25. The next steps are to consult with the affected residents and tenant groups, such as the Way Forward Panel and Housing Investment Panel.

Appendices

26. Appendix A - Exempt

Background Papers

27. None