

**Report for:** 7 November 2023 Cabinet

**Title:** RFH 01 – Approval of award of MDC contract for the 1st tranche of retrofitting council housing stock.

**Report authorised by:** Jahedur Rahman, Director of Operations & Building Safety

**Lead Officer:** Alfie Peacock, [Alfie.Peacock@haringey.gov.uk](mailto:Alfie.Peacock@haringey.gov.uk)

**Ward(s) affected:** Hornsey, South Tottenham, Woodside

**Report for Key/ Non-Key Decision:** Key Decision

## 1. Describe the issue under consideration

- 1.1 This report seeks approval from the Cabinet for the award of a consultancy contract for Multi-Disciplinary Consultancy (& Retrofit Designer) services for the 'Retrofit For Haringey 01' project. The consultancy contract term shall be for a period of up to 24 months covering all design and delivery phases.
- 1.2 This contract follows a competitive tendering exercise run by Haringey Council's Strategic Procurement team on the London Construction Programme (LCP) Dynamic Purchasing System (DPS).
- 1.3 This will be the first retrofit project which the council has commenced since approving the Housing Energy Action Plan (HEAP), agreed by cabinet in January 2023. The project will actively commit to one of the main objectives detailed in that report: to reduce carbon emissions from the Council's housing stock and meet Haringey Climate Change Action Plan (CCAP) targets.

## 2. Cabinet Member Introduction

I am pleased to present this report which is part of a larger programme which will help make Haringey a greener and fairer borough.

Retrofitting our 15,000 council homes is part of the Council's ambition to tackle the climate emergency locally and become a net zero carbon borough by 2041. This pioneering approach predicts a 98 per cent reduction in carbon emissions from council homes by 2038.

The retrofitting programme also contributes to a key commitment of helping residents through the cost-of-living crisis. There are estimated to be over 15,000 households experiencing fuel poverty in the borough. With average heating bills being reduced by up to 28%, improving the energy efficiency of homes is the most sustainable solution to fuel poverty.

This contract will be the second within the Retrofit for Haringey programme, covering the fabric first retrofit of 289 street properties and bringing these properties up to EPC

B.

### **3 Recommendations**

It is recommended that Cabinet:

3.1 Approves the award of the consultancy identified in the exempt report.

### **4. Reasons for decision**

4.1 The consultancy identified in the exempt report successfully won a competitive tendering process in May 2023, meeting the requirements laid out by the Council.

4.2 The services provided by the consultant are in accordance with PAS 2035:2019, which is the standard for retrofitting domestic dwellings, and a mandatory project requirement when applying for government grant funding.

### **5 Alternative options considered**

#### *5.1 Do Nothing*

The Council has made a commitment to become a net zero carbon borough by 2041, this commitment includes provision to retrofit all its social housing stock (circa 15,000 properties) as part of the Council Housing Energy Action Plan (HEAP) 2023-2028.

#### *5.2 Delay*

The Council could wait to award this contract, until external grant funding rounds open towards the end of 2023, but ensuring a supply chain is in place prior to applying for external funding will give the Council a greater chance of making a successful bid.

### **6. Background information**

6.1. This award of contract covers the 'fabric first' retrofit of 289 street properties. These homes have been selected in line with the criteria set in the Housing Energy Action Plan. i.e., they are below the average energy performance rating of our housing stock (EPC C), they are due planned investment works before 2028, and the majority of homes would be eligible for Social Housing Decarbonisation Funding should it become available.

6.2. The current average energy rating for the Council's stock is a low EPC rating of C. 6,232 homes are EPC D and below. To achieve EPC B, nearly all the Council's existing 15,453 homes will require energy efficient measures installed. This means that approximately 1500 homes per year require retrofitting to achieve the 2035 target of EPC B.

6.3. The 1st project was approved -in principle- within the Housing Energy Action Plan. Taking a 'fabric first' approach as the first intervention is recognised by industry expertise (PAS 2035:2019) as the appropriate first step to decarbonising homes: by reducing energy demand and improving the retainment of heat within the properties.

6.4. 'Fabric first' will improve and insulate these components: walls, roofs, doors, windows, floors which are part of the building envelope. All properties included in the project will reach at least an EPC C at project completion.

6.5. The lessons learnt from this first project will help refine the Council's knowledge on specification, programming, and costs for retrofitting, which will subsequently feedback into the management of the overall programme, which is a key principle of the HEAP.

6.6. This contract will cover all work stages as laid out by the RIBA Plan of Work and PAS 2035:2019 which is the compliance process for the retrofit of domestic dwellings.

Following the PAS standard will safeguard residents and the Council by ensuring that there are no unintended outcomes from retrofitting properties such as damp and mould or thermal bridging.

- 6.7. There are no leaseholder implications for the properties in scope as the project focuses solely on street properties.
- 6.8. Haringey Strategic Procurement team were instructed to undertake this exercise by the Housing Services & Building Safety team, and the Carbon Team in late 2022.
- 6.9. Two suppliers within the category 'Construction Project Management Services' submitted a tender which was then evaluated by a team including Officers from Strategic Procurement and Housing Services & Building Safety.
- 6.10. Information on the evaluation, moderation, and cost analysis can be found in Part B – Exempt.
- 6.11. The project and contract timeline (subject to change) is as follows:-

<b>Work Stages</b>	<b>Indicative Delivery Period</b>
Initial Engagement	October 2023
Assessment	November – January 2024
Design	December – March 2024
<b>Procurement of Contractor/Installer</b>	<b>February 2024 – May 2024</b>
<b>Mobilisation &amp; Manufacturing</b>	<b>June 2024 – August 2024</b>
Installation (On site) (Potential Phasing)	September 2024 – September 2025
Testing & Commissioning (Potential Phasing)	September 2024 – September 2025
Handover (Potential Phasing)	September 2024 – September 2025
Monitoring & Evaluation (Potential Phasing)	September 2024 – September 2025

- 6.12. If the award of contract is approved, Haringey would enter Stage 3 (Design) of the project. Procurement of a contractor/installer relies on a streamlined design process and an appropriate packaging of works.
- 6.13. This contract encompasses the packaging of works, specifications, and cost estimates which will form the tender pack for Contractors/Installers to bid for. All consultancy contracts have an ability to 'freeze' if additional time is required internally to approve the contract sum and budget to go to tender.
- 6.14. The Council has the right to terminate the contract at any time for any reason through a termination at will clause in the contract.

## **7. Contribution to strategic outcomes**

- 7.1 This project is part of the Council Housing Energy Action Plan (HEAP) in support of the Council's Climate Change Action Plan (2021) and Affordable Energy Strategy (2020). It is also aligned with the Asset Management Strategy (2021), and the draft Housing Strategy (2022). It supports the Corporate Deliver Plan 23/24 Theme 2 'Responding to the climate emergency'.
- 7.2 There are estimated to be over 15,000 households experiencing fuel poverty in the borough. Improving the energy efficiency of our housing stock to reduce fuel bills is the

most effective means of achieving a key objective of the Council's Affordable Energy Strategy 2020-2025. Improving the energy efficiency of homes remains the most sustainable, long-term solution to fuel poverty. With many homes requiring an extensive package of energy efficiency measures.

- 7.3 The project is named 'Retrofit for Haringey 01', signifying the first of many projects in the programme pipeline to decarbonise our social housing stock, and reduce the energy demand (and thus, energy bills) of our housing properties. This is explored in more detail in the Council Housing Energy Action Plan (HEAP) 2023-2028.

## **8. Carbon and Climate Change**

- 8.1. This project derives from the strategy within the Housing Energy Action Plan. The properties included in scope will go through a 'fabric first' retrofit design process aimed primarily to reduce their carbon emissions, reduce energy usage, and be more resilient to extreme temperatures.
- 8.2. Residents in these properties will be supported by Officers and Consultants throughout the project, ensuring that changes to their homes are well understood and working as intended.
- 8.3. 50% of the emissions in the borough of Haringey are from domestic properties; this project can act as a showcase and catalyst for social homes and private housing alike by demonstrating a reduction of energy usage, and emissions, for homes in the borough.

## **9. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **9.1 Strategic Procurement**

Strategic Procurement (SP) note that this report relates to the approval to award a consultancy contract for Multi-Disciplinary Consultancy (& Retrofit Designer) services.

A competitive tender process was undertaken in line with regulation 34.

SP support the recommendation in section 3 above.

### **9.2 Financial Consideration**

The contract is for the provision of multi-disciplinary consultancy & retrofit design services.

The provision of this service is vital in producing the necessary support and evidence required for the application for grant funding and shaping the retrofit project.

The total sum can be contained within the existing carbon reduction budget for 2023/24.

Should the retrofit installation project progress, this cost will be capitalised or expensed where it does not.

Further finance comments are in the exempt report

### 9.3. Legal Considerations

The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

The services were tendered under the London Construction Programme Dynamic Purchasing System (DPS). Use of a DPS is an approved procurement process under the Public Contracts Regulations 2015 (Reg 34).

The Cabinet has power to approve the recommendations under CSO 9.07.1 d) (contracts valued at £500,000 or more).

The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Cabinet from approving the recommendations in this report.

### 9.4. Equality

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The proposed decision is to award a retrofit coordinator, Assessor and Evaluator contract to ensure the retrofit of 289 council houses.

Increased energy efficiency will benefit tenants in Haringey Council housing. Black people, older people, people with disabilities, people from a low socioeconomic background and women are over-represented among current Council tenants. To the extent that the proposed decision enables Council tenants to reduce their energy bills, it will represent a measure to advance equality of opportunity for people who share the protected characteristics by meeting their needs where they are different to the needs of others.

Reducing carbon emissions has equality implications. The climate crisis will disproportionately impact younger people, lower-income people, and already marginalised

groups. Therefore, measures to reduce carbon emissions represent means of preventing and mitigating future inequalities.

As an organisation carrying out a public function on behalf of a public body, the contractor will be obliged to have due regard for the need to meet the three aims of the Public sector Equality Duty as stated above.

**10. Use of Appendices**

Exempt Information Appendix 1

**11. Local Government (Access to Information) Act 1985**

None