

Report for: Cabinet Member for Housing and Planning (Deputy Leader)

Title: Approval for an agreed maximum price for an appointment of a retrofit installer (contractor) under a measured term contract (MTC)

Report authorised by : Jahedur Rahman, Director of Operations & Building Safety and/or David Joyce, Director of Placemaking & Housing

Lead Officer: Alfie Peacock, Alfie.Peacock@Haringey.gov.uk

Ward(s) affected: Fortis Green & White Hart Lane

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

1. Describe the issue under consideration

- 1.1. This report seeks approval from the Cabinet Member for Housing and Planning (Deputy Leader) for an agreed maximum price for a project to deliver council housing retrofits, detailed in the exempt report.
- 1.2. The project is partially funded by the Social Housing Decarbonisation Fund (SHDF) Wave 2.2.
- 1.3. This approval will support the first retrofit project which the council has commenced since approving the Housing Energy Action Plan (HEAP) agreed by cabinet in January 2023.
- 1.4. The contract will be spent delivering a maximum of 289 retrofits to council owned street properties.
- 1.5. Following this approval, a procurement exercise will be carried out by Haringey Council's Strategic Procurement team on the London Construction Programme (LCP) Dynamic Purchasing System (DPS) for a Retrofit Installer (as referred to under PAS2035:2023 & PAS2030:2023) / Contractor.
- 1.6. The project will actively commit to one of the main objectives: to reduce carbon emissions from the Council's housing stock and meet Haringey Climate Change Action Plan (CCAP) targets.

2. Cabinet Member Introduction

N/A

3. Recommendations

- 3.1. Approve an agreed maximum sum for appointment of a contractor following a procurement process as detailed in this report and the exempt report containing exempt recommendations .
- 3.2. Approve a delegation to the Director of Placemaking & Housing, after consultation with the Director of Finance, to award a contract to the highest scoring bidder in accordance with the evaluation criteria up to a maximum value identified in the exempt report, following a compliant procurement process. The contract will have a maximum term of three years.

4. Reasons for decision

- 4.1. A Retrofit Installer is required to deliver the project, as well as ensuring that grant funding deadlines can be met by carrying out the appropriate amount of works and claiming for the funding before the deadline. Further details on the grant funding are detailed in the body of this report.
- 4.2. Approval pre-procurement will ensure that the tendering suppliers are aware that the necessary governance process and agreed maximum price is approved, allowing for a quick mobilisation to deliver the works and meet the deadlines set by the grant funding body.
- 4.3. The budget for this project fits within the envelope of the carbon reduction budget over three financial years as shown in the exempt information report.
- 4.4. Social Housing Decarbonisation Fund (SHDF) has been awarded to the Council for this project, with a deadline to spend the monies prior to March 2025. Delaying this procurement will prevent our ability to meet this deadline.

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, and therefore doing nothing does not work towards this commitment.
- 5.2. Delivering the project in house – The council reviewed whether it had the capacity and capabilities to deliver these works in house, and due to the specialist nature of these works, it was deemed not possible.
- 5.3. Use of existing contracts - Existing construction contracts used by this service area were reviewed on their suitability for this project and none were deemed appropriate, therefore a fresh procurement is required.

6. Background information

- 6.1. The budget approval for this project covers the 'fabric first' retrofit of 289 street properties. Homes were selected by following the criteria set out 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 173 of the 289 homes are partially grant funded by the Social Housing Decarbonisation Fund (SHDF) Wave 2.2.

- 6.2. This project strategy was approved -in principle- within the Housing Energy Action Plan (HEAP). Taking a 'fabric first' (external wall insulation, windows, doors, loft insulation) approach as the first intervention is recognised by industry expertise as the first step to decarbonising homes: by reducing the energy demand and improving the retainment of heat within the properties (PAS 2035:2023).
- 6.3. 'Fabric first' will improve and insulate the building envelope. All properties in this project should reach at least an EPC C at project completion.
- 6.4. Retrofit should be viewed as part of the Housing Asset Managements planned maintenance schedule. The project offers co-benefits and potential saving opportunities for the Council; insulating our council homes will reduce the likelihood of reactive repairs call outs and remediate or prevent further cases of damp and mould through repairing any building envelope issues. Retrofitting homes is a holistic approach, with savings realised on energy bills and properties being more comfortable to live in – providing financial and health benefits to residents.
- 6.5. The lessons learnt from this first project will help refine the Council's knowledge on specification, contracting, programming, and costs for retrofitting, which will subsequently feedback into the management of the overall programme; this is a key principle of the HEAP.
- 6.6. This procurement will facilitate the delivery of PAS 2035 & PAS 2030 compliant retrofits, and by following these trustmark standards, the Council is following the appropriate path to ensure it can secure government grant to partially fund the project.
- 6.7. The contract type was chosen through a market engagement exercise at the end of 2023, where six out of eight respondents suggested this type of contract for these kind of works.
- 6.8. The LCP is the preferred route to market, using the DPS Minor Works Lot.
- 6.9. There are no leaseholders receiving any works as part of this procurement exercise, and therefore no section 20 implications.
- 6.10. The Council has a clause for no fault termination in the contract.
- 6.11. Social Value offers will be considered as part of the tender process in line with the approach outlined by Strategic Procurement.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level 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 (2023) and the draft Housing Strategy (2022). It supports the Corporate Delivery 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 and 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, required 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 HEAP 2023-2028.

8. Carbon and Climate Change

- 8.1.** The 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 (Director of Finance (procurement), Head of Legal and Governance, Equalities)

9.1. Finance

This project is part of Council Housing Energy Action Plan (HEAP) and a pilot scheme.

It will be funded by a combination of borrowing by the HRA and grants from social housing decarbonisation fund.

Additional Finance comments are contained in the exempt report.

9.2. Procurement

Strategic Procurement note that this report relates to the approval of the maximum budget to deliver council housing retrofits project.

This report is also seeking delegated authority to the Director of Housing and Placemaking to approve future awards.

Strategic Procurement note the contents of this report and confirm there are no procurement related matters preventing the Cabinet Member from approving the Recommendations stated in paragraph 3 above.

Strategic Procurement will work with the service to ensure value for money is achieved through the procurement activity, including delivery of social value aligned with the Procurement Strategy and the Council's priorities.

9.3. Head of Legal & Governance [Name and title of Officer completing these comments]

The report recommends that, the award of the contract for the retrofit installer is delegated to the Director of Placemaking and Housing after consultation with the Director of Finance. The Cabinet has power under the Local Government Act 2000 to delegate the discharge of any of its functions to an officer (S.9 E(Discharge of Functions)) . Once the procurement is complete, a further report will need to be submitted to the Director of Placemaking and Housing recommending approval of a contractor.

Where a decision is a Key Decision which would usually fall to Cabinet, in between meetings of the Cabinet, the Leader may take any such decision or may delegate to the Cabinet Member with the relevant portfolio (CSO 16.02).

The Assistant Director of Legal and Governance confirms that there are no legal reasons preventing the Cabinet Member for Housing and Planning 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 report

NOT FOR PUBLICATION by virtue of paragraph 3 of Part 1 of
Schedule 12A of the Local Government Act 1972

11. Background papers

None