

Committee Name: Cabinet

Committee Date: 23/02/2022

Report Title: The award of a contract for Sustainable Warmth grant delivery

Portfolio: Councillor Hampton, cabinet member for climate change and digital inclusion

Report from: Executive director of community services

Wards: All Wards. Further analysis is needed to determine full address list but work will likely begin in wards with highest levels of fuel poverty (Nelson, Wensum and Sewell)

OPEN PUBLIC ITEM

Purpose

To award a contract to deliver insulation measures to 200 private sector homes in Norwich, funded from the government's Sustainable Warmth grant scheme.

Recommendation:

To award a contract for the Sustainable Warmth Grant – retrofit insulation measures to E:On via the Fusion21 framework, subject to approval of the capital programme by Council on 22 February 2022. The contract value will be up to a maximum of £3.1 million.

Policy Framework.

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing and environment
- Inclusive economy

This report meets the Great neighbourhoods, housing and environment corporate priority

This report addresses 'Improve the quality and safety of private sector housing' strategic action in the Corporate Plan

This report helps to meet housing, regeneration and development objective of the COVID-19 Recovery Plan

Report Details

The Sustainable Warmth Scheme

1. As part of the government funded Sustainable Warmth scheme, the Council has been awarded £3.1m to improve 200 private sector homes in Norwich by installing a mixture of insulation measures, including loft and cavity wall insulation and solar panels.
2. This scheme is focused on improving energy efficiency in the city, particularly in low-income housing. Low-income housing is defined as income under £30,000 or via the use of proxy measures such as receipt of benefits, and/or households identified to be in fuel poverty, which takes into account energy efficiency ratings and broader categories of vulnerability. Areas of the city likely to be eligible have already been identified using data tools which show areas of low income and inefficient housing.
3. Residents will be contacted, and information shared about the scheme, the process and the benefits. Homes will also need to be verified as eligible for the grant works, using income checks or our Eco Flex statement which sets out vulnerabilities that enable a classification of fuel poverty. There is no obligation for residents to receive the works, and residents will be kept up to date throughout the project following industry best practice PAS guidelines, to ensure the best outcome for them.
4. We expect the scheme to save 200,000 kg of CO2 per year and £250,000 in bill savings per year.

Delivery of the works

5. In order to complete these works, an installer will need to be contracted. Given the significant nature of the works, and the grant requirement that work must be completed by 31st March 2023, delivery needs to commence as soon as possible.
6. A suitable procurement framework has been identified - Fusion 21 Energy Efficiency Framework; using a framework enables us to procure a contractor in line with the deadlines required whilst also assuring us of value for money and delivery capability.
7. Three suppliers are available on the framework and Eon Energy has been identified as the only supplier with the capacity to deliver these works, based on an assessment of size and capacity of the companies to deliver a significant project in a short timeline. As such the recommendation is to direct award the contract to E:on Energy, in accordance with the rules and procedures set out in the framework agreement and in accordance with the Public Contract Regulations 2015. Department

for Business, Energy and Industrial Strategy (BEIS), who are providing the funds, are also content that Eon has the capacity to deliver, and this procurement process also conforms to the standards of the Sustainable Warmth scheme and conditions of the grant.

Consultation

8. Regular engagement will be undertaken with residents in the targeted areas before and throughout grant delivery in a variety of ways, compliant with the processes set out in the grant funding and in line with industry best practice. This will include, in the first instance, letters to potentially eligible households, followed by visits in the community. At any time residents will be able to indicate their interest (or lack of). Any data sharing will be guided by a Data Sharing Agreement.
9. We have consulted with BEIS in this process who are content that our plans meet grant funding requirements.

Implications

Financial and Resources

10. The full funding for the works (£3.1 million) is provided by the government's Sustainable Warmth Fund: this includes funding for a management fee to cover the council's costs of administering the grant (15% of the total grant), as well as the capital funding required for the works themselves.
11. This funding and the associated capital budget allowance is included in the 2022/23 Budget proposals being presented for approval at Council on 22nd February 2022.
12. There are no additional funding implications.

Legal

13. We do not foresee any legal complications.
14. We have consulted with our legal team who have advised that as long as the framework allows for Norwich to access it and it allows for a direct award to be made then calling off is in accordance with the Public Contracts Regulations 2015.
15. The framework does allow Norwich to access it, therefore this is in accordance with the Public Regulations 2015.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	N/A
Health, Social and Economic Impact	This work will have a positive impact as the scheme is focused on improving energy efficiency in the city, particularly in low income housing and/or households identified to be in fuel poverty.
Crime and Disorder	N/A
Children and Adults Safeguarding	N/A
Environmental Impact	This work will improve the fabric of some of the worst performing homes in Norwich, considerably reducing carbon emissions from them.

Risk Management

Risk	Consequence	Controls Required
Issues with installation impacting residents	Reputational blow to council Possible remedial works required	All installers will be Trustmark registered Regular inspections by council staff will take place Proposed risk is therefore low
Works not installed by scheme deadline	Loss of reputation to council	Approved contract will allow works to take place Regular oversight and meetings with contractors

Other Options Considered

16. Do nothing: The funding has been applied for and approved, if we do not complete the works then it will be lost and the low income homes will not benefit from the savings. This option is not recommended.

17. In house provision: Norwich City Council does not have any existing in-house provision for this work. This option is not recommended.
18. Joint venture provision: The service cannot currently be provided by any of the Councils current joint ventures or partnerships. This option is not recommended

Reasons for the decision/recommendation

19. This approach is recommended so that works can be completed on schedule, in line with the requirements of the grant

Contact Officer: Rachel Sowerby

Name: Rachel Sowerby

Telephone number: 01603 989578

Email address: rachelsowerby@norwich.gov.uk