



<b>REPORT TO:</b>	Officer Decision Notice
<b>REPORT OF:</b>	Assistant Director Housing
<b>REPORT AUTHOR:</b>	Technical Contracts Officer
<b>SUBJECT:</b>	Social Housing Decarbonisation Fund Wave 2.1 [SHDF 2.1] – provision of PAS 2035 Retrofit Assessment and Coordination Services.
<b>PURPOSE:</b>	To award a contract to Myhome Surveys Ltd to undertake “PAS 2035 Retrofitting dwellings for improved energy efficiency. Specification and guidance [PAS 2035]” assessment and coordination works [over a two year period] as part of the SHDF 2.1 programme at an estimated contract value of £550,000.
<b>KEY DECISION:</b>	Yes
<b>WARD(S) AFFECTED:</b>	All wards
<b>EXEMPT REPORT?</b>	No

## SUMMARY

In response to the Government target for social housing providers to increase the energy efficiency of their homes, the Council applied for and has been awarded £3.55m of grant funding under SHDF 2.1. This is made up of £3,434,587 to be spent on capital improvements, and £121,000 to be spent on enabling works. In addition, the Council is required to match fund the grant allocation.

The SHDF 2.1 grant funding is available through the Government’s Department for Energy Security and Net Zero [DESNZ]; as part of the UK’s commitment to reduce carbon by 80% of 1990’s levels by 2050. To achieve this, social housing must be achieving an EPC C rating by 2030 and the Council has identified a programme of improvements to ensure we are able to meet this target. The above funding opportunities have prescribed delivery timescales, 40% of the funding being allocated to works to be completed by March 2024, and the remaining 60% by March 2025.

To ensure the Council can take advantage of funding available under the scheme, a contractor is required who can carry out the necessary retrofit assessments and coordination work as required under PAS 2035 and who can evidence the technical requirements associated with the funding.

Following an open tender process it is proposed to award this specialist technical work as required by Myhome Surveys Ltd.

Myhome Surveys Ltd meet all of the delivery conditions [PAS2035 and TrustMark accredited] required by DESNZ to deliver these works.

## RECOMMENDATIONS

The Council award a contract to Myhome Surveys Ltd to undertake PAS 2035 retrofit assessment and coordination works as part of the SHDF 2.1 programme at an estimated contract value of £550,000.

## REASONS FOR RECOMMENDATIONS

Social housing providers have been set the target of all homes achieving a minimum EPC C rating by 2030. Following a review of Council properties, a programme of works has been identified which fulfils the requirements to bid for match funding.

Awarding a contract to Myhome Surveys Ltd for PAS 2035 retrofit assessment and coordination works the Council has a programme approach to achieving this target.

## OTHER OPTIONS CONSIDERED

**Option 1** - Do nothing. This is not considered a viable option as the Council will have to meet Government's targets to achieve an EPC C rating in every property by 2030. In addition, failing to use the grant funding secured may have a negative impact on any future grant applications.

**Option not recommended.**

**Option 2** To award the contract to an alternative contractor. This is not considered to be appropriate because, following the evaluation process Myhome Surveys Ltd submitted the most economically advantageous tender. **Option not recommended.**

## 1. BACKGROUND

- 1.1 In response to the Government target for social housing providers to increase the energy efficiency of their homes, the Council applied for and has been awarded £3.55m of grant funding under SHDF 2.1. This is made up of £3,434,587 to be spent on capital improvements, and £121,000 to be spent on enabling works. In addition the Council is required to match fund the grant allocation from the Council's capital programme.
- 1.2 The SHDF2.1 Grant funding is available through DESNZ; as part of the UK's commitment to reduce carbon by 80% of 1990's levels by 2050. To achieve this social housing must be achieving an EPC C rating by 2030 and to support this work it is proposed to let a contract via Open tender. The above funding opportunities have prescribed delivery timescales, 40% of the funding being allocated to works to be completed by March 2024, and the remaining 60% by March 2025.

- 1.3 The works to be undertaken will vary in relation to the current status of the individual properties. Many will require some major works carrying out such as EWI, loft insulation, solar PV, replacement heating systems and in some cases replacement windows and doors. Others will require minimal works such as energy efficient lighting or additional heating controls.
- 1.4 However, before these works can be commenced it is necessary for the Council, to undertake a range of retrofit assessments and tests as required under PAS 2025, to determine the most suitable retrofit measures to install in each property.
- 1.5 The contract award will be for an initial 2-year period. The Council may review this contract over time. However, it is beneficial to the Council to use the proposed contract as a delivery vehicle to secure additional funding as future prospectuses are advertised. As with the schemes advertised to date [LAD1b, LAD2 and SHDF 2.1], it is anticipated that the Council will need to respond and deliver in a short timeframe.
- 1.6 The Council will need to continue to deliver works to properties where the funding criteria of obtaining EPC band C is not met and this contract arrangement will provide an opportunity to do this. This could be due to the property or tenants circumstances, as each funding allocation contains certain stipulations. The conditions of awarding this contract does not restrict the Council in awarding future retrofit assessment and coordination works to other contractors through an open market tender.

## **2. REPORT**

- 2.1 Social housing providers have been set the target of all homes achieving a minimum EPC C rating by 2030. Following a review of Council properties, a programme of works has been identified which fulfils the criteria required to bid for match funding.
- 2.2 The SHDF 2.1 Grant funding is available through DESNZ; as part of the UK's commitment to reduce carbon by 80% of 1990's levels by 2050. To achieve this social housing must be achieving an EPC C rating by 2030 and to do this a contractor which fulfils the technical requirements of the funding scheme is required. It is therefore proposed to let a contract by an open tender process.

## **3. CONCLUSION**

- 3.1 To award a contract to Myhome Surveys Ltd to undertake PAS 2035 Retrofit assessments and coordination works as part of the SHDF 2.1 programme at an estimated contract value of £550, 000.

## **4. EXPECTED BENEFITS TO THE PARTNERSHIP**

- 4.1 There are no specific benefits to be realised by the partnership. However, the effective delivery of a sovereign partner council contract will contribute to the partnership's professional reputation.

## **5. IMPLICATIONS**

### **5.1 SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP**

5.1.1 There are no noted implications for the partnership.

### **5.2 CORPORATE PRIORITIES**

5.2.1 The award of this contract will allow the Council to meet Corporate Priority; "Your Home".

### **5.3 STAFFING**

5.3.1 As previously noted in the previous Key Officer Decision report to award a contract for the installation of External Wall Insulation associated with SHDF 2.1. There is a requirement for two additional members of staff [A Technical Administrator and Project Surveyor] on two year fixed term contracts to deliver this programme of works. The costs associated with these additional employees are within the grant and match funding already allocated.

### **5.4 CONSTITUTIONAL AND LEGAL IMPLICATIONS**

5.4.1 The procurement of the contract was subject to an open tender via PSPS and therefore meets requirements under both UK and EU Procurement Law and the Constitution's Contract Procedure Rules.

### **5.5 DATA PROTECTION**

5.5.1 The Council is required to enter into a Data Sharing Agreement with DESNZ. This agreement has been reviewed by the Partnerships Data Protection Officer who has expressed no concerns with the agreement.

### **5.6 FINANCIAL**

5.6.1 These works will be funded over the two year period by grant funding from DESNZ to the value of £3,555,587.75 with match funding by the Council from the approved HRA Capital programme.

### **5.7 RISK MANAGEMENT**

5.7.1 None noted.

### **5.8 STAKEHOLDER / CONSULTATION / TIMESCALES**

5.8.1 Informal consultation has been undertaken with relevant Portfolio Holder.

### **5.9 REPUTATION**

5.9.1 It is considered that improving the thermal comfort of our tenant's homes will have a positive impact on our tenants. In meeting the Council's aspiration to become a landlord of choice, continuous investment in our housing stock will ensure our homes continue to be desirable to prospective new tenants in the future.

### **5.10 CONTRACTS**

5.10.1 The Contract will be compliant and agreed with the open tender provider and the works issued under the auspices of a JCT Measured Term Contract 2016.

## **5.11 CRIME AND DISORDER**

5.11.1 None noted.

## **5.12 EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

5.12.1 None noted.

## **5.13 HEALTH AND WELL BEING**

5.13.1 Studies show that by improving insulation within homes, temperatures are increased, relative humidity, costs and mould are reduced. These changes have had a positive impact on residents by improving their health and well-being resulting in a lower utilisation of healthcare services.

## **5.14 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

5.14.1 This contract will have a direct positive impact on the Council reducing its carbon footprint by making our properties more energy efficient in line with the minimum requirements of 2030. The works will also benefit the tenants by being more comfortable and making homes more affordable.

## **6. ACRONYMS**

6.1 SHDF 2.1 – Social Housing Decarbonisation Fund Wave 2.1

LAD – Local Authority Delivery

DESNZ - Department for Energy Security & Net Zero

PSPS – Public Sector Partnership Services Ltd.

PAS 2035 - PAS 2035/2030:2019+A1:2022; Retrofitting dwellings for improved energy efficiency. Specification and guidance.

HRA- Housing Revenue Account

EPC – Energy Performance Certificate

JCT – The Joint Contracts Tribunal.

**APPENDICES**

None.

**BACKGROUND PAPERS**

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

**CHRONOLOGICAL HISTORY OF THIS REPORT**

A report on this item has not been previously considered by a Council.

**REPORT APPROVAL**

Report author:	Technical Contracts Officer
Signed off by:	Assistant Director Housing
Approved for publication:	Assistant Director Housing

**FINANCE PROFORMA**

PROFORMA FOR APPROVAL OF THE RELEASE OF RESOURCES

(CAPITAL AND REVENUE BUDGETS)

FROM: Assistant Director Housing

THIS PROFORMA PROVIDES THE FINANCIAL IMPLICATIONS  
IN RESPECT OF THE ATTACHED

REPORT: Social Housing Decarbonisation Fund Wave 2.1 [SHDF 2.1] - PAS 2035 Retrofit Assessment and Coordination Services.

REPORT DATE:

<b>OPTION 1</b>	£ Year 1 2023/24	£ Year 2 2024/25	£ Year 3 2025/26	£ Year 4 2026/27	£ Year 5 2027/28
<b>Capital</b>	£220,000.00	£330,000.00			

<b>Total Capital Cost</b>	£220,000.00	£330,000.00			
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**Funding required:**

Total capital cost £3,555,587.00

Revenue cost

£

**Considered by:**

Enter committee here

**Date:**

Enter Council or  
Cabinet/Executive here

**Financial Services Comments**

**Risk**

**Procurement**

**Value for Money Efficiency**

This FP is valid for 3 months from FP date	If this FP is no longer required please advise Finance	If there are changes to the original report it may invalidate this document, it must be reviewed by Finance.