

Report to	Cabinet
Date of meeting	25 th May 2021
Lead Member / Officer	Cllr Tony Thomas / David Lorey
Report author	Glyn Forsdick
Title	External Enveloping and Energy Efficiency Framework for Council Housing

1. What is the report about?

To seek approval to proceed with tendering the next Housing improvement framework to procure services required to deliver major external repairs to the council's housing stock.

2. What is the reason for making this report?

A decision is required to proceed with the tender of a 4 year framework required to procure external enveloping contracts to maintain the condition of the council's housing stock in line with the Welsh Housing Quality Standard (Please refer to Appendix 1 which provides details for the first two years of the programme where surveys have been completed).

3. What are the Recommendations?

The recommendation is to approve the use of a framework to deliver the required improvements in line with the housing stock business plan.

4. Report details

- 4.1. Denbighshire Housing owns and manages 3400 council house properties. Since 2004 a number of major repairs have been completed to the housing stock in order to achieve the Welsh Housing Quality Standard. The investment has been significant, however the benefits derived to our tenants and the overall condition and safety of our homes has been considerable.

- 4.2. We know need to ensure that the housing stock remains compliant with the current WHQS standard and the forth coming revised standard expected in the latter part of 2021.
- 4.3. For the last 3 years our focus has been on delivering external improvements to the stock having completed the last internal repairs programme in 2018. The current programme will end in May 2021 and our intention is to proceed with the next planned capital programme during the autumn of 2021. The current programme has delivered major external enveloping improvements to over 350 properties throughout the stock including, new roofs, replacement render, roofline replacements and environmental improvements.
- 4.4. The next planned capital works framework will see similar improvements delivered to the other areas of the housing stock where investment is now required. Works will include those as previously mentioned as well increased energy efficiency measures to ensure both corporate and Welsh Government Decarb targets are achieved where financially viable.
- 4.5. Recently we have trialled new ways of working and innovative systems on our most recently improved properties with the assistance of the Welsh Government Retrofit Grant programme. The programme is currently delivering energy efficiency improvements to 55 homes as part of the existing external enveloping programme.
- 4.6. The improvements have included integrated solar PV, increased wall insulation via external wall insulation (EWI) and the installation of battery technology to harness solar gain.
- 4.7. The work has also seen energy monitoring equipment installed to our homes to allow us to report on the benefits of the retrofit works and to track improvements pre and post improvement works. We are one of only a few local authorities trailing this technology for the WG which is known as an Intelligent Energy Systems (IES). We have secured funding to install this equipment on our next programme of works due to start in the autumn.
- 4.8. The proposed delivery route for the above improvements in via a four year framework which will incorporate several lots in order of property investment

priority. The specification has been designed to allow for standard external enveloping works as well as retrofit energy measures should future grants allow.

4.9. Our recently expired framework have delivered four successful programmes of work, having removed the associated risks of larger single contracts spanning several years as well as enticing competition thus reducing costs. The new framework will also deliver a significant community benefit contribution to the local economy and include apprentice and training opportunities within each lot.

4.10. The delivery of the framework will also ensure that we are strategically well placed to take advantage of any future Welsh Government grant opportunities including the next round of retrofit funding as we will have a framework partners in place to deliver such scheme who are fully trained and practiced in retrofit energy efficiency measures.

4.11. Incorporating energy efficiency works into the framework as part of the external enveloping programme will also generate a significant increase with regards to improving our Energy Performance Certificate (EPC) data. Early indications from our current programme has confirmed that we have increased these homes from an EPC D to an EPC B by adopting retrofit techniques.

5. How does the decision contribute to the Corporate Priorities?

6.1 The delivery of major planned repairs contributes significantly to increasing the energy efficiency of the councils housing stock as the capital plan works are designed to ensure that all properties achieve a minimum EPC C69 in line with the current corporate target.

6.2 The delivery of major planned repairs also contributes to the corporate Housing priority of where everyone is supported to live in homes that meet their needs.

6. What will it cost and how will it affect other services?

6.1. The costs of the framework will be circa £10m dependant on the level of works required for each applicable lot. The first two lots have been surveyed and the value of works is estimated to be approximately £2.5M per lot. The current

resource provision will be sufficient to deliver the programme, however further resources maybe required should the council be successful in being award future WG retrofit funding. The works will not have a direct negative impact on any other services from within the council.

7. What are the main conclusions of the Well-being Impact Assessment?

Please see appendix for report:

Main conclusions: Carbon reduction to the housing stock, increased employment opportunities, increased training opportunities, SME and local supply chain benefits, skills development, tenant engagement and Community involvement

8. What consultations have been carried out with Scrutiny and others?

There is a clear need and requirement to ensure the councils housing stock is maintained to a high standard and although scrutiny consultation has not been considered at this stage, there has been considerable dialogue with WG and tenants regarding our planned works programme. Relevant councillors are also consulted with in each ward prior to the start of the improvement works and statistical information is fed back both corporately and to the WG regularly.

9. Chief Finance Officer Statement

The recommendation to proceed with the tender of a 4 year framework for external enveloping contracts will help ensure that we can maintain the condition of the council's housing stock in line with the Welsh Housing Quality Standard going forward. The planned expenditure is included within the Housing Stock Business Plan and current and future spending plans.

10. What risks are there and is there anything we can do to reduce them?

The following key risks have been identified and will be managed by the Framework Management Team:

- Legal challenge in relation to the procurement process – managed by the input of specialist legal and pricing advice in terms of the process and drawing up the required documentation;
- Contractor performance is poor – regular monitoring of KPI's within the contract will ensure sanctions are available to the Council to address poor performance (please refer to Appendix 2 which details suggested examples of KPI's for this framework).
- Contractors withdraw from the Framework/go into liquidation – the remaining contractors on the relevant Lot should be able to manage the workload in the short term until another contractor is appointed.

11. Power to make the decision

The power to make decision is contained in S2 Local Government Act 2000, S111 Local Government Act 1972, Regulation 33 Public Contracts Regulations 2015.