



London Borough of Enfield

Report Title:	Operational KD Report for Energy Efficiency Investment in Council Homes
Report to:	Strategic Director of Housing and Regeneration – Joanne Drew
Date of Report:	13 th June 2024
Cabinet Members:	Cllr Guzel – Cabinet Member for Social Housing
Directors:	Strategic Director of Housing and Regeneration: Joanne Drew
Report Author:	Service Director Homes: Hannah Ashley Fraser
Ward(s) affected:	Borough-wide/All
Key Decision Number	KD5726
Classification:	Part I Public

Purpose of Report

1. To obtain approval to accept grant funding, enter into relevant agreements with the funding body and proceed to the next stage of the relevant works contract to deliver associated works as described in the confidential appendix.

Recommendations

- I. That approval be given to accept £3,459,517 grant funding - Social Housing Decarbonisation Fund Wave 2.2, (administered by the Department of Energy Security and Net Zero – DESNZ) to improve the energy efficiency to 267 council homes.
- II. That approval be given to enter into the relevant agreements with funding bodies associated with the grant funding.
- III. That approval be given to novate Enfield Council's Innovation Partnership NEC 4 Construction Contract – Option C dated 2nd December 2021 ('the Works Contract') from Geoffrey Osbourne Limited to a new Contractor, further details of which are contained in Part 2 of this report.
- IV. Subject to the confirmation of grant being received, that approval be given to proceed to the next stage of the Works Contract to deliver the retrofit works – "Stage 3 Scale Up" following novation of the Works Contract.
- V. That approval be given for the total estimated 3 year budget of £8,077,429 which includes the contract sum of £5,847,084 allowance for management resource and 20% contingency. This allows for the first of several works programmes, inclusive of grant funding and council match funding.

Background and Options

2. The Council has previously published a Climate change action plan which commits to decarbonise the Council's Housing stock. The Housing Revenue Account (HRA) Capital Programme is focused on investment in our housing stock to ensure the Council continues its delivery of Warmer Homes, as committed to in the Good Growth Strategy agreed in 2020 which prioritised investment in existing homes.

The Council applied to the Social Housing Decarbonisation Fund Wave 2.2, (administered by the Department of Energy Security and Net Zero – DESNZ) and received a notification of the application being successful on 18th March 2024. The Grant Funding Agreement was entered and executed on 9th April 2024 and counter signed by the Department of Energy Security and Net Zero on 21st May 2024 which ensured the release of the funding.

3. The planned energy efficiency programme associated with this grant funding will improve the warmth of up to 267 homes is beneficial to residents within these homes.
4. The Works Contract has been entered into as part of the Innovation Partnership procurement procedure in compliance with Regulation 31 of the Public Contracts Regulations 2015, being run by Transport for London (TFL), on behalf of the Greater London Authority (GLA). Turner and Townsend are appointed as their consultants to support contracting authorities participating in this procedure. The TFL and the GLA are purchasing on behalf of Enfield and 6 other local authorities under the Mayor of London's Retrofit Accelerator – Homes programme Reference No. 2020/S 220-541823 as being contracting authorities named as those who are entitled to participate in accordance with

the original call for competition. Ultimately the intent of the Innovation Partnership is to set up a Framework Agreement of retrofit providers.

5. It has become necessary to novate the Works Contract following the incumbent contractor Geoffrey Osborne Limited going into administration. Further details of this are contained in Part 2 of this report.

Preferred Option and Reasons for Preferred Option

6. Consideration was given to delivering energy efficiency works with the Council's resources over a longer programme.
7. Due to the investment requirement to improve the energy efficiency of council homes it has been decided to proactively apply for external funding to ensure investment in homes can be accelerated and energy efficiency improvements are made in line with the council housing asset management strategy.

Relevance to Council Plans and Strategies

8. The contract will support the following objectives from the Council Plan:
 - a. **More and better homes:** the programme will improve the quality and safety of existing homes and therefore positively impact on the wellbeing and quality of life for our residents.
 - b. **Strong, healthy, and safe communities:** improving the existing homes where people desire to live will help to create and maintain healthy and confident communities.
 - c. **An economy that works for everyone:** ensuring residents can fully participate in activities within their neighbourhood.

Financial Implications

9. See part 2.

Legal Implications

10. The Council has the power under section 1(1) Localism Act 2011 to do anything individuals generally may do providing it is not prohibited by legislation and subject to Public Law principles. There is no express prohibition, restriction or limitation contained in a statute against use of this power for the recommendations in this report. The Council has the power to alter, repair or improve its housing stock in accordance with section 9 of the Housing Act 1985. Under section 111 Local Government Act 1972 local authorities may do anything, (whether or not involving the expenditure, borrowing, or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. The recommendations in this report are in accordance with these powers.

11. Any grant funding agreement(s) which the Council is required to enter to secure such grant funding for this project will likely be part of the grantor's wider programme and, as such, it is unlikely that there will be any scope to deviate from the grantor's grant funding terms, and the Council will be required to demonstrate compliance with such terms to secure initial and further funding. Analysis of the nature of the grant(s) will also be required to ensure compliance with the Subsidy Control Act 2022, if applicable. Grant agreements often include grant conditions requiring the council to follow public procurement law or similar provisions requiring the seeking of quotes etc to attain value for money. There is a risk of clawback of funding if the council does not comply with any of the grant funders grant conditions. Grant funding agreement(s) entered by the Council will need to be sealed.

Equalities Implications

12. An Equality Impact Assessment has been undertaken and appended to this report.
13. The works will be delivered boroughwide to various homes, improving health and safety and will benefit residents irrespective of the protected characteristics of the residents.
14. The contractor will be required to ensure all operatives will be fully briefed in line with the council's safeguarding policy. The terms and conditions of the contract will require adherence with the Equalities Act and contractors will be required to share their Equality Diversity and Inclusion policy to assure the council of their recruitment policies.
15. Engagement with residents will be undertaken by the Contractor in accordance with their processes for resident engagement and liaison.

Environmental and Climate Change Implications

16. The delivery of these works improves the energy efficiency of homes and contributes to reducing scope 3 carbon emissions from the council's operations, by reducing the energy demand of these homes, in line with the Climate Action Plan targets and supporting the Council's commitment to be a carbon neutral organisation by 2030, while also reducing fuel poverty in the borough
17. The Works Contract was part of a framework agreement procured by Transport for London (TFL), in line with their policies both Work Related Road Risk and the TFL Ethical Sourcing Policy are included as contractor obligations in the contract and aligns to the councils Sustainable and Ethical Procurement Policy.

Public Health Implications

18. The works will improve the living conditions of those residents that receive works. This aligns with the provisions of the Enfield Joint Health and Wellbeing Strategy, which refers to the importance of housing quality as a determinant of health.

19. Climate change has been described as the greatest public health challenge of the 21st century and an existential threat. Efforts to mitigate this threat are welcomed.

Safeguarding Implications

20. The works will require Contractors to enter resident's homes and therefore the Contract Documents require Disclosure & Barring Services (DBS) and adherence with the Council's Safeguarding Policy.

21. In addition to the above the Contractor is required to provide a Resident Liaison function whose role is to ensure that residents needs are reflected in the processes adopted by the Contractors. Evaluation of the Contractors offer in this area are a component of the qualitative evaluation.

Procurement Implications

22. According to information provided within this report, a compliant procurement process was utilised. All contract extensions, variations, modifications and contract novation should be presented to the Procurement Assurance Group for endorsement.

23. All awarded projects must be promoted to Contracts Register on Council's e-Tendering portal and Contracts Finder to comply with the Government's transparency requirements.

24. Due to the contract being over £100,000 the CPR's state that the contract must have a nominated contract owner in the Council's e-Tendering portal.

25. Since the contract is over £500,000 the CPR's state that the contract must have a nominated Contract Manager in the Council's e-Tendering portal and there must be evidence of contract management, including, operations, commercial, financial checks (supplier resilience) and regular risk assessment uploaded into the Council's e-Tendering portal.

26. If the contracts will be over £500,000 the CPR's state that the contract must have a nominated Contract Manager in the Council's e-Tendering portal and there must be evidence of contract management, including, operations, commercial, financial checks (supplier resilience) and regular risk assessment uploaded into the Council's e-Tendering portal.

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Appendices: Appendix 1: Restricted Appendix (Confidential)
Appendix 2: Equality Impact Assessment

Background Papers

PL21.004O - Approved – Energiesprong

Housing Revenue Account HRA Budget and Rent Setting 2024-25