

## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	Consultant Services - Social Housing Decarbonisation Fund Wave 3
<b>Decision Maker:</b>	Paul Walker Director for Housing & Property.
<b>Cabinet Member:</b>	Councillor Paul McGeary Cabinet Member for Housing and Property
<b>ELT Lead:</b>	Neil Stubbings Strategic Director of Place
<b>Report Author and contact details:</b>	Rob Ditsell Project Manager  Robert.ditsell@havering.gov.uk
<b>Policy context:</b>	Supports the outcomes within the London Borough of Havering's Corporate plan. Places. Making sure that our neighbourhoods are a great place to live by investing in them and keeping them clean, green and safe
<b>Financial summary:</b>	Appointment of Baily Garner LLP consultant services to assist Havering with providing services to fulfil PAS2035 roles and Contract Administrator role to support Havering's Social Housing Decarbonisation Fund Wave 3 bid.  Estimated cost to be £450,000.00.
<b>Relevant Overview &amp; Scrutiny Sub Committee:</b>	Place OSC
<b>Is this decision exempt from being called-in?</b>	<b><i>The decision will be exempt from call in as it is a Non key Decision</i></b>

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**The subject matter of this report deals with the following Council Objectives**

People - Supporting our residents to stay safe and well

Place - A great place to live, work and enjoy X

Resources - Enabling a resident-focused and resilient Council

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### Part A – Report seeking decision

#### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

In readiness for applications for Wave 3 funding from the local government department for Energy Security and Net Zero (DESNZ) under the Social Housing Decarbonisation Fund (SHDF) which is expected to be announced in the coming months, London Borough of Havering are looking for permission to appoint Bailey Garner LLP to provide services to fulfil PAS2035 roles and Contract Administrator role to help administer and deliver works under this scheme.

This specialist consultant is Baily Garner LLP (company no OC305198). We would like to appoint their services via a direct award via the Fusion 21 Framework for a total value of £450,000.

#### **AUTHORITY UNDER WHICH DECISION IS MADE**

##### **Part 3 of the Council's Constitution**

3.3 SCHEME OF DELEGATIONS - FUNCTIONS DELEGATED TO OFFICERS

Scheme 3.3.3 Powers common to all Strategic Directors

4. Contracts

4.2 To award all contracts with a total contract value of below £1m other than contracts covered by Contract Procedure Rule 16.3

#### **STATEMENT OF THE REASONS FOR THE DECISION**

As part of the Government's commitment to carbon reduction targets, the 2019 Conservative manifesto included a proposal (subject to spending reviews) for a £3.8B Social Housing Decarbonisation Fund to improve the energy performance of social rented homes.

£160M was allocated for the first wave of the SHDF proper. SHDF Wave 1 was the first formal stage of SHDF funding as previously works were completed on a demonstrator phase. In October 2021 the Leader of the Council approved a bid for funding of £1,270,000 which was based upon grant caps for the proposed property types. LBH was awarded £1.27m for Wave 1 works following a success bid submission.

Funding was targeted at improvements to building fabric, to improve air tightness and insulation, and at properties below an EPC rating of C.

The Council wish to build on the success of the above mentioned completed Project with the anticipated funding the Council will receive from the SHDF.

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In order for the Council to be prepared for such funding opportunities we need to appoint a specialist consultant to fulfil PAS2035 roles and Contract Administrator role under this scheme. The specialisms required under the terms of the funding criteria for the PAS2035 roles is something that the Council need to externally resource to help support and shape the Project delivery model prior to the submission of any bid. The PAS2035 roles consist of a Retrofit advisor, a Retrofit assessor, a Retrofit co-ordinator, a Retrofit designer, and Retrofit evaluator.

The bid window is expected to be announced this summer and in readiness for LBH's bid application LBH requires Baily Garner to help complete stock assessments and designs to help form a programme.

Appointing Baily Garner LLP provides the Council with the opportunity to utilise learning from partnering previously to provide a more efficient outcome to enhance our plan of securing grant funding and delivering a successful Project. Baily Garner will help the Council to deliver the works throughout the Project life cycle, which is a requirement under the funding scheme.

We have contacted the Framework provider, Fusion 21 and discussed the express provisions around direct award. We will ensure that we follow the following process that was recommended:-

'Fusion 21 engaged with the supplier to gauge their interest in the project prior to confirming the rates, contract terms etc. We can then issue a direct award report which includes details of the framework evaluation process and basic due diligence around the suppliers' financial position and insurances etc.'

This report is seeking approval to appoint Baily Garner LLP via direct award on Fusion 21 Framework, to which the Council are already set up to use.

Lot 1 -Programme, Project Management & Multi-Disciplinary Works.

The end date of the framework is September 2025.

Estimated cost will be £450,000.00 which will be funded from the HRA Capital Programme, Project Code: C38720 Task 3.0.

This value has been based on a percentage cost of 5.5%, of allocated Project budget for this Social Housing Decarbonisation Fund (SHDF) Wave 3 Project to which the consultant would charge, with a small amount of contingency and final lodgement costs.

We anticipate the total Project cost to be £7,000,000.00 for periods 2025/26 and 2026/27 to which there is sufficient funds within the budget of C38720 to cover the costs of the Project and for this appointment. The Council's bid is estimated to be around £2.5m. The £7m figure is the estimated Project sum which the Council will spend. Any awarded funding will only cover a percentage of the works

Baily Garner have only increased their fee percentage to us by 0.3% based on rates when we last engaged with them in 2022 for Wave 1 of this SHDF scheme.

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As part of the direct award process in Fusion 21 suppliers are assessed using the framework criteria to which 30% is focused on commercials. This is undertaken by checking Project values against RIBA stages and cost models based on disciplines and expertise. Under the framework evaluations of submissions is completed with 30% of the evaluation score being based on Commercials and 70% being Technical. This evaluation checks value for money and are assessed on cost models and against variety of project values against RIBA stages.

This provides cost assurance to the Council towards value for money.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

**Do Nothing** – by not appointing Baily Garner, we are missing a key criteria to enable the Council to submit a bid to secure external funding for the SHDF scheme as part of the Council's wider commitment to reducing the production of carbon dioxide.

**Complete a tender exercise** – Due to the intrusive and complicated nature of the roles required, completing a tender exercise and potentially partnering with a new consultant would be time consuming. There is a risk of engaging lesser known consultants who may not be experienced or resourced to meet our requirements.

### **PRE-DECISION CONSULTATION**

Procurement Gateway Report submitted to Business partners for review.

Procurement Gateway Report presented on 25<sup>th</sup> April 2024 and this has been endorsed.

### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Rob Ditsell

Designation: Project Manager

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Signature:



Date: 30<sup>th</sup> April 2024

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### Part B - Assessment of implications and risks

#### **LEGAL IMPLICATIONS AND RISKS**

- i. The Council has the power to appoint a contractor for their services under Section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- ii. Additionally, through its general power of competence under Section 1 of the Localism Act 2011, the Council can do anything that individuals generally may do, subject to statutory limitations.
- iii. Officers seek authorisation to make a direct award to Bailey Garner LLP via the Fusion 21 Framework for Lot 1 -Programme, Project Management & Multi-Disciplinary Works to deliver services to fulfil PAS2035 roles and Contract Administrator roles
- iv. The proposed value of the direct award is estimated to be £450,000 which is above the threshold for services the Public Contracts Regulations 2015 (PCR). Accordingly, it is subject to the full PCR regime. The use of a Framework is compliant with Regulation 33 of the PCR. The Fusion 21 Framework, allows participating authorities to call-off from this Framework.
- v. For the reasons set out above, the Council may proceed with awarding this contract to Bailey Garner LLP.

#### **FINANCIAL IMPLICATIONS AND RISKS**

The estimated cost for this contract is £450,000 which will be funded from the HRA Capital Programme, Project Code: C38720.

PAS2035 roles and Contract Administrator role <i>(Based on 5.5% of the estimated project cost of £7,000,000)</i>	£385,000
Trustmark Lodgement Fees	£ 30,000
Contingency	£ <u>35,000</u>
<b>Total</b>	<b>£450,000</b>

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### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

The recommendations made in this report do not appear to give rise to any identifiable HR risks or implications that would affect either the Council or its workforce. The contract administrator role is a function that will be tasked to the specialist consultant to fulfil as part of the contract. This will require them to manage the procedural aspects of the Project deliver on the Councils behalf.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out when a proposed or planned activity is likely to affect staff, service users, or other residents. This should be completed and it should be clear that all partners offer equal opportunity and accessibility for all.

The Council seeks to ensure equality, inclusion, and dignity for all in all situations

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

This appointment of Baily Garner LLP will help the Council to be focused on improving the Council's owned properties energy performance by assisting us with applying for grant funding under SHDF Wave 3.

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We would look to bring the Energy Performance Certificate (EPC) of properties below C upto a C rating with a lowest regrets approach and a roadmap to enable us to enhance the properties further with future measures towards EPC A at a later date.

This work would benefit local residents by providing funding to improve the thermal efficiency of affordable housing, improving comfort and reducing fuel bills.

This aim is in line with the Council's target for all properties to achieve EPC C by 2030 and to be Net Zero by 2040.

**BACKGROUND PAPERS**

None

**APPENDICES**

None

**Non-key Executive Decision**

**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

*Delete as applicable*

~~Proposal NOT agreed because~~

**Details of decision maker**

Signed



Name: **Paul Walker**

Cabinet Portfolio held:

CMT Member title:

Head of Service title: Interim Director – Housing & Property Place Directorate

Other manager title:

Date: **04.06.24**

**Lodging this notice**

The signed decision notice must be delivered to Committee Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_

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