

## Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendix A is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to financial information/valuation, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

<b>Subject Heading:</b>	Consultant Services - Social Housing Decarbonisation Fund Wave 3 + Retrofit Works.
<b>Decision Maker:</b>	Neil Stubbings Strategic Director of Place
<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.

**Key Executive Decision**

<b>Financial summary:</b>	The estimated cost of the works is shown in Exempt Appendix A.  The works will be funded from the HRA Capital Programme.
<b>Reason decision is Key</b>	(a) Expenditure or saving (including anticipated income) of £500,000 or more.
<b>Date notice given of intended decision:</b>	30 <sup>th</sup> July 2024
<b>Relevant Overview &amp; Scrutiny Committee:</b>	Place OSSC
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	The decision is not exempt from call in as it is a Key Decision.

**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~~

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report is seeking permission to appoint Baily Garner LLP to provide services to fulfil PAS2035 roles and Contract Administrator role to help administer and deliver works under the Social Housing Decarbonisation Fund Wave 3 scheme and self-funded Retrofit works.

We would like to appoint their services through a direct award via the Fusion 21 Framework for a total value set out in the exempt Financial Appendix A (attached).

### 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

1. As part of the Government's commitment to carbon reduction targets, the 2019 Conservative manifesto included a proposal (subject to spending reviews) for a £3.8 Billion Social Housing Decarbonisation Fund (SHDF) to improve the energy performance of social rented homes.
- 2 £160,000,000 was allocated for the first wave of the SHDF. SHDF Wave 1 was the first formal stage of SHDF funding as previous works were completed on a demonstrator phase. In October 2021 the then Leader of the Council approved a bid for funding of £1,270,000 which was based upon grant caps for the proposed property types. The Council was awarded £1,270,000 for Wave 1 works following a successful 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.

- 3 The Council wish to build on the success of the above mentioned completed project by submitting a bid for further funding under SHDF Wave 3 - which is expected to be announced in summer 2024 from the Department for Energy Security and Net Zero (DESNZ).

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- 4 In order for the Council to be prepared for such funding opportunities we need to appoint a specialist consultant to fulfil PAS2035 roles and the Contract Administrator role under this scheme. PAS2035 is the official framework for whole-house retrofit in the UK; outlining the processes and best practices for the industry. This consists of the following roles; a Retrofit advisor, a Retrofit assessor, a Retrofit co-ordinator, a Retrofit designer, and Retrofit evaluator.
- 5 The specialisms required under the compulsory 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 and throughout the project life cycle.
- 6 Appointing Baily Garner LLP provides the Council with the opportunity to fulfil the above roles and to utilise learning from partnering previously to provide a more efficient outcome and to enhance our plan of securing further grant funding.
- 7 If the Council were not successful in the application for funding, we would still like to proceed with the appointment and partnering with Baily Garner LLP in order to continue our work towards the target of achieving EPC by 2030 and Net Zero by 2040. Appropriate provision has been made to enable this to happen. This would also support continuity on our approach to Retrofit in Housing.
- 8 We have contacted a Framework provider, Fusion 21, and discussed the express provisions around a direct award:

'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.'

We can confirm that Fusion 21 have engaged with Baily Garner LLP who have confirmed their interest and are keen to work with the Council on this Project.

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

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

The end date of the framework is September 2025 but appointments made prior to this can run their required term.

- 10 The works will be funded from the HRA Capital Programme. Exempt Appendix A provides a figure for the cost of the works.
- 11 This value has been based on a percentage cost of 4.25% of allocated Project budget and costs for Retrofit Coordination with a 3% Framework levy rate included on Baily Garner's fee.

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12 Under the framework evaluations of submissions are completed with 30% being 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 and cost models based on disciplines and expertise.

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

13 We anticipate the total Project cost to be £11,000,000 for periods 2025/26, 2026/27 and 2027/2028.

14 The Council's bid is estimated to be around £2,500,000 - £3,000,000. Any awarded funding will only cover a percentage of the works.

15 Approval to submit a bid for this wave of funding has been approved under a separate Executive Decision report.

16 There are sufficient funds within the budget to cover the costs of the project and for this appointment.

### **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.

**Competitive Tender** – 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.

We already have a good working relationship with Baily Garner and value for money is tested by their election to the framework.

### **PRE-DECISION CONSULTATION**

Procurement, GRG, Democratic Services and Housing Business Partners have been consulted.

**Key Executive Decision**

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

Name: Rob Ditsell

Designation: Project Manager

Signature:



Date: 12<sup>th</sup> August 2024

## Part B - Assessment of implications and risks

### **LEGAL IMPLICATIONS AND RISKS**

- 1 The Council has a 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.
- 2 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.
- 3 The proposed value of the direct award is 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.
- 4 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 shown in Exempt Appendix A and will be funded from the HRA Capital Programme.

A financial check, as required, has been carried out on Baily Garner LLP, using Experian and they were considered very low risk.

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

There are no Human Resources implications arising from this report.

### **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;

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- (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.

### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

Health & Wellbeing Benefits:

- 1 The Council is committed to improving the health and wellbeing of its residents. The provision of good quality and affordable housing is an important determinant of health and wellbeing as housing impacts both our physical and mental health and wellbeing.
- 2 This appointment will support Havering's ambitions to provide more good quality, genuinely affordable homes for local people, through the improvement of thermal efficiency and reduction of fuel bills. This will impact positively on individuals and families on low income by reducing fuel bills and improving their quality of life.

Health & Wellbeing Risks:

- 1 This appointment does not give rise to any health and wellbeing risks.

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

- 1 This appointment of Baily Garner LLP will help the Council to improve the energy performance of Council owned properties.



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- 2 We will bring the Energy Performance Certificate (EPC) of properties below C up to 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.
- 3 This work would benefit local residents by providing improvement to the thermal efficiency of affordable housing, improving comfort and reducing fuel bills.
- 4 This aim is in line with the Council's target for all properties to achieve EPC by 2030 and to be Net Zero by 2040.

### **BACKGROUND PAPERS**

Application for Grant Funding Under Social Housing Decarbonisation Fund – Wave 3.  
Key Executive Decision May 2024.

### **APPENDICES**

Exempt Appendix A.

**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



Neil Stubbings  
Strategic Director of Place

Date: 20/08/2024

**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 \_\_\_\_\_