

Report to:	Cabinet	Date of Meeting:	25 May 2023
Subject:	Sustainable Warmth Funding - Extension		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

As part of a competitive bidding process co-ordinated through the Combined Authority, Sefton Council have been awarded £3,374,297 of grant funding to retrofit 307 poorly insulated homes for low-income Sefton residents. The funding has come from the Department of Business Energy & Industrial Strategy (BEIS) as part of the government's post covid 19 response and supporting the UK Net Zero Carbon by 2050 target.

An additional £1M was awarded to Sefton in November 2022 which will be used to upgrade an additional 100 properties. This additional funding was reported to Council, with a request to accept the funding, via the regular financial management update in November 2022.

The newly formed Dept. For Energy Security and Net Zero (DESNZ) announced on 10 February 2023, that the Sustainable Warmth scheme would be extended by six months, however they are yet to confirm additional funding requested by Sefton. A decision on the request for an additional £2M will be reviewed from mid-March 2023.

Recommendation(s):

That Cabinet authorise the direct award of works (to fulfil the requirements of the Sustainable Warmth fund) to Eco Gee Ltd as per the parameters stated below.

Reasons for the Recommendation(s):

To use a public procurement regulations compliant framework (Fusion 21) for the selection of the Contractor, via a direct award (contract award without the need for a mini competition) which is a compliant mechanism for an award within this Framework.

Based on lessons learnt during previous phases of this funding and current delivery:

1. Timescales – Funding and delivery are time critical. The programme has only 6 months to run, therefore it would not be possible or practical to go to market for an alternative delivery partner.
2. Continuity – the mobilisation of a contractor to deliver external wall insulation (EWI) for example can take months. Therefore, the option of maintaining the current work stream delivering EWI must be considered.
3. Proven delivery – ECOGEE have demonstrated the ability to deliver quality work locally at competitive rates.
4. Customer service & ECO flex – Excellent customer service has been demonstrated. ECOGEE are also one of 4 appointed contractors to deliver the ECO flex programme in Sefton, this provides residents with access to alternative and supplementary funding support.
5. Competitive costing – To secure the most competitive prices, officers considered approved procurement frameworks, where contractors had set out prices at the beginning of the framework. This allowed for a transparent assessment of value for money.
6. Local knowledge – ECOGEE are a local company based just outside Sefton’s border in Liverpool. Evidence from previous experience showed that local companies with detailed knowledge of building stock and local supply chains were best placed to mobilise and deliver quickly and effectively.

Alternative Options Considered and Rejected: (including any Risk Implications)

Procurement for an alternative delivery partner will mean the project will not be fulfilled within timescales.

What will it cost and how will it be financed?

No additional cost incurred. Financed through funding already secured as part of the Sustainable Warmth Fund.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):	
Retrofit team and contractors are already in place	
Legal Implications:	
Contracts and grant funding agreements already in place. The Council’s Procurement team have been consulted and endorse the recommended approach.	
Equality Implications:	
There are no equality implications.	
Climate Emergency Implications:	
The recommendations within this report will	
Have a positive impact	Yes
Have a neutral impact	No
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes

Improving the thermal efficiency of local homes will directly support the wider targets around achieving net zero carbon emissions across the wider Sefton area.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Improving the energy efficiency of the homes of the most vulnerable residents
Facilitate confident and resilient communities: Helping to reduce fuel poverty and health implications associated with cold homes
Commission, broker and provide core services: Assisting residents to improve the energy efficiency of their having a positive impact on finances, health and climate change
Place – leadership and influencer: Sefton assisting vulnerable residents to access funding to become more energy efficient and reduce carbon emissions
Drivers of change and reform: Help reduce fuel poverty and carbon emissions
Facilitate sustainable economic prosperity: Reduced fuel bills will result in residents having more of a disposable income
Greater income for social investment: Reduced fuel bills will result in residents having more of a disposable income
Cleaner Greener Reduced carbon emissions through fabric first energy efficiency measures installed in domestic properties

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7201/23) and the Chief Legal and Democratic Officer (LD.5401/23) have been consulted and any comments have been incorporated into the report.

The procurement and legal teams have both reviewed the procurement process and governance process and confirmed compliance.

(B) External Consultations

LCR Combined Authority have submitted change request to DESNZ 3/3/23

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Appendices:

There are no appendices to this report

Background Papers:

“Sustainable Warmth Funding 2022-2023”: 6 (Cabinet) & 20 (Council) January 2022

CORB Contract Award Sustainable Warmth: February 2022

1. Introduction

- 1.1 In February 2022 the procurement route for the current Contractor was set out and reported via a Chief Officers Report. This set out the criteria and subsequent evaluation to ensure a robust and transparent procurement compliant process had been followed.
- 1.2 Although the current contract is being successfully delivered and in fact, Sefton are one of few local authorities who are currently on track or ahead of delivery, there is no provision within this agreement to extend beyond 31st March 2023. On this basis, we require a new contract to be in place to accommodate all of the additional work and associated additional time.

2. Contract Award

- 2.1 It is proposed that the new contract would be procured through the Fusion 21 (public procurement regulations compliant) framework to undertake the domestic retrofit works required under the Sustainable Warmth funding award. Selection of the Contractor will be via a direct award (contract award without the need for a mini competition) which is a compliant mechanism for an award within this Framework. The justification for taking this route to procurement is listed above in “Reasons for the Recommendation”.
- 2.2 Although we anticipate the identified works programme to conclude by 30 September 2023, the contract itself would run until 31 March 2024 to allow for any possible future extensions. This would accommodate any possible capital works up to the value of £5.5M to allow for existing funding granted at the end of 2022 and any additional works as part of the scheme extension (awaiting confirmation).