

EXECUTIVE DECISION RECORD SHEET

| | |
|---|--------------------------------------|
| Name of decision maker: | Councillor Margaret Griffiths |
| Portfolio: | Housing |
| Date of Portfolio Holder Decision: | 02 January 2014 |

| |
|---|
| Title of Decision: |
| Allocation of budget provision and the delegation of contract award for the Summer Court Energy Efficiency & Estate Improvement Refurbishment Scheme |

| |
|---|
| Decision made and reasons: |
| 1) That authority to award any contracts in relation to energy-efficient refurbishments of Summer Court is delegated to the Assistant Director (Housing) in consultation with the Corporate Director (Housing & Regeneration) and the Portfolio Holder for Housing. |

| |
|--|
| Reports considered: (here reference can be made to specific documents) |
| Officer report attached. |

| |
|--|
| Has budget been approved? (provide budget codes): |
| Please see officer report |

| |
|--|
| Officers/Councillors/Ward Councillors/Stakeholders Consulted: |
| Elliott Brooks – Assistant Director (Housing) Calvin Fisher – Group Manager (Property & Place) Simon Smith – Team Leader (Property & Place) Andrew Linden – Team Leader (Procurement) |

| |
|---|
| Monitoring Officer comments: No further comments to add to the report. |
| Section 151 Officer comments: The costs of this project are contained within the existing HRA capital budgets approved within the current capital programme. |

| | |
|-------------------------|--|
| Implications: | The Council has a commitment to maintain and improve its housing stock. Certain construction types are more challenging to treat and alternative solutions are required. Residents at Summer Court showed an appetite for a refurbishment and by making this an energy efficient project government funding can be accessed and Fuel Poverty is tackled. |
| Risk: | The properties in question are in a poor state of repair and in need of wholesale maintenance. Planned improvement programmes will go some way to address the issues, but parts of the building are becoming dangerous and need attention now. |
| Value for Money: | Taking a holistic approach to Summer Court allows us to achieve scales of economy and utilise elements such as access equipment. By making this |

EXECUTIVE DECISION RECORD SHEET

pilot an energy efficient project Energy Company Obligation (ECO) funding is provided by the government. The Biomass Heating secures 20 years of revenue through the Renewable Heat Incentive (RHI) and eliminates the cost of annual gas maintenance. The Solar PV receives 20 years of a Feed In Tariff (FIT) and External Wall Insulation is guaranteed for 25 years which reduces the need for future maintenance. The holistic approach is the best way of reducing maintenance and making the properties future-proof and energy efficient.

Options Considered and reasons for rejection:

Continuation of the traditional planned works programmes which have limited environmental enhancements and do not address many of the issues highlighted through consultation.

This is an attempt to determine whether taking a holistic approach to planned works can achieve better results, more value for money and buy in from residents.

Portfolio Holders Signature:

Date:

Details of any interests declared and any dispensations given by the Standards Committee:

For Member Support Officer use only

Date Decision Record Sheet received from portfolio holder: 17/12/13

Date Decision Published: 02/01/14

Decision No: PH/001/14

Date of Expiry of Call-In Period: 09/01/13

Date any Call-In received or decision implemented:

BACKGROUND

In Autumn 2012 the Council signed up to a CIH Neighbourhood Sustainability pilot programme. Out of this programme we developed the 'Your Place' model where we will look at our estates holistically and engage with residents. This model was piloted at Highfield and out of the consultation the residents at Summer Court were particularly engaging and keen to work with the Council and improve their neighbourhood.

Summer Court is a mixture of 34 flats and maisonettes based around a shared communal green. The leasehold interests of 15 of the properties have been purchased, but the Council retains the freehold of the buildings and therefore the responsibility for repairs and maintenance.

The key message we received from the residents concerned the maintenance of the buildings and surrounding areas. Whilst there are planned programmes in place to look at some of these elements, such as external decorations and doors, we realised there was an

EXECUTIVE DECISION RECORD SHEET

opportunity to look at the area as a whole and potentially improve energy efficiency as well as the neighbourhood. Another common theme was that the properties are cold and consequently fuel bills are high. This led to some investigation around the insulation of the properties, and it transpired this was minimal, if any existed at all.

With the introduction of ECO we researched the possibility of obtaining funding in partnership with Kier, who have established relationships with the big six energy providers. With the energy efficiency angle becoming the driver of the project it was key to align ourselves with an experienced contractor in this field and Kier provided the necessary skills. Several feasibility studies were conducted and we now have a viable ECO project that can help to deliver much needed works to a run-down estate whilst improving the thermal performance of the properties and tackling Fuel Poverty.

The refurbishment of Summer Court will include the following –

- External Wall Insulation installed to improve thermal performance and appearance of the buildings
- Biomass District Heating to provide heating and hot water. This is a sustainable, green and potentially cheaper fuel for residents
- Windows and front doors will be replaced as a draft-proof measure
- Internal stairwells repaired and decorated
- Wooden fascia's and soffit's replaced with PVC, gutters and downpipes renewed
- Communal digital aerial linked in to all properties eliminating the current health and safety risk of aerials and satellite dishes being insecure
- Relocation of bin stores to encourage recycling and remove health and safety hazard
- Shed stores repaired, made safe and secure with new doors
- Drying areas fenced off with secure access for residents only
- Additional external lighting to provide a safer area for residents

Currently the scope of these works is subject to planning permission.

The Council are signed up to the SCAPE framework which is OJEU compliant. The use of this framework has been approved by the Council's Procurement Department and to date, all feasibility studies/surveys have been awarded through this contract.

Kier are the only supplier on the Scape Framework and had to go through a rigorous tendering process with price forming 50% of the evaluation criteria. In addition to the financial appraisal carried out as part of the evaluation for the framework agreement, the Council have also undertaken an open book accounting exercise with Kier to ensure value for money is being provided.

This framework is Local Authority controlled and was formed under section 95 of the 2003 Local Government Act. Due to the complex nature of this project and the key energy efficiency measures we would like to continue to use the SCAPE framework. The project will be live on site for approximately 31 weeks and currently we predict to be finished in June 2014.

EXECUTIVE DECISION RECORD SHEET

The total value of the project is £1.3m. ECO funding will provide £340k leaving the total capital contribution from DBC at £998k. The RHI and FIT revenues over 20 years equates to £467k income resulting in a net capital contribution of £531k. The initial capital outlay (£998k) would come from the following sources –

2013/14

Energy Efficiency Budget: £150k

Estate Improvement Budget: £400k

2014/15

Energy Efficiency Budget: £150k

Estate Improvement Budget: £300k

Benefits to DBC

- A coordinated and efficient approach to energy efficiency retro fit and planned asset management
- A low carbon estate with estimated total carbon saving of over 2,591 tonnes
- Enhanced asset value, leveraging funding support and revenue
- A pilot model for DBC to consider for similar estates

Benefits to Residents

- SAP rating improved by 10%, therefore improving thermal comfort
- Improved building fabric and aesthetics of Summer Court
- Anticipated fuel savings of circa £100 per annum per property, which will assist in averting the risk of Fuel Poverty
- Increased awareness of energy efficiency and behaviour change
- A home and estate they can be proud and take ownership of

ECO – Energy Company Obligation. Brought in by the UK Government in January 2013 as part of the Green Deal launch, ECO is designed to provide £1.3 billion worth of funding every year until March 2015. Energy suppliers take on a share of the obligation and fund energy efficient improvements based on the carbon savings of those measures. ECO was introduced to reduce the UK's energy consumption and support people living in Fuel Poverty.

FIT – Feed in Tariff. Introduced on 1st July 2010, the UK Governments FIT scheme results in an ongoing payment (for 20 years) from an energy supplier for the installation of a renewable technology such as Solar Photovoltaic (PV) panels. Solar PV generates electricity and any surplus energy that is not used can be exported back to the grid in return for a payment.

EXECUTIVE DECISION RECORD SHEET

RHI – Renewable Heat Incentive. The RHI is a UK Government scheme set up to encourage uptake of renewable heat technologies among householders, communities and businesses through the provision of financial incentives. The UK Government expects the RHI to make a significant contribution towards their 2020 ambition of having 12 per cent of heating coming from renewable sources. The Renewable Heat Incentive is the first of its kind in the world.