



Procurement of contractor(s) to deliver energy efficiency and associated works to Council Housing - 2022-2024

To:

Councillor Gerri Bird, Executive Councillor for Housing
Housing Scrutiny Committee 21st June 2022

Report by:

Lynn Thomas, Head of Maintenance and Assets
Tel: 01223 457831 Email: Lynn.thomas@cambridge.gov.uk

Wards affected:

All

Key Decision

1. Executive Summary

As part of a programme of energy efficiency improvements to the Council's existing housing stock it is planned to procure contractor(s) to install various measures including external wall insulation, cavity wall insulation, ventilation upgrades and solar PV panels to Council properties in various locations.

2. Recommendations

The Executive Councillor is recommended to:

Approve the issue of tenders and authorise the Director of Neighbourhoods and Communities to award a contract(s) to a contractor(s) to deliver energy efficiency and associated works to Council housing from 2022 -2024, with an option to extend for one or more periods up to a maximum of two years.

3. Background

The Council's Housing Asset Management Strategy sets out objectives to improve the energy efficiency performance of the Council's existing housing stock to an EPC "C" or above by 2030. This paper covers procurement of contractors so the Council can continue to deliver energy efficiency works. (NB this is separate from the Net Zero Carbon Pilot project that was approved by the Executive Councillor in January 2022).

3.1 Improving energy efficiency ratings

Currently we rely on the results of Energy Performance Certificates (EPC) to assess the energy performance of the housing stock.

The Council has around 1300 of its own properties that were built with un-insulated solid walls; many of these have an EPC rating of "D".

In 2020 we completed a review of our EPC ratings. We used existing stock data to assume ratings where an actual EPC had not been produced. The results showed that in we had 1,897 "D" rated properties. At least 150 properties have since been improved by adding external wall insulation and solar panels. We are currently in the process of updating data using our new MRI Asset Management ICT system.

3.2 Insulation works proposed

In 22/23 and 23/24 we are planning to continue to target EPC "D" rated properties with two main workstreams:

1. External wall insulation to solid walled properties which would otherwise need render repairs (saving on other maintenance costs).
2. Cavity wall insulation or cavity wall insulation repairs to blocks of flats. This is required where insulation has become less efficient over time and /or has reached the end of its 25-year lifetime.

These works will improve the thermal comfort of properties and will help to prevent condensation and mould issues. We also expect this work to help mitigate against rising energy costs.

As with energy efficiency projects completed in 20/21/22, the external wall insulation workstream will include solar photo-voltaic (PV) panel installation to the roofs of the houses. Previous projects demonstrate it is possible to increase the EPC rating of most properties to a "B" by installing Solar PV at the same time as external wall insulation.

Any installations of solar PV panels will only be done to roofs that are technically suitable (orientation etc) and where the remaining roof life is 25 years or more. The solar PV panels will be installed as part of the external wall insulation works and we are not currently installing solar PV panels as a stand-alone item.

If any other energy efficiency measures (such as loft insulation, draft proofing, replacement external doors, ventilation upgrades) are identified, or other associated planned works, it is proposed that this work will be carried out at the same time.

We are also carrying out trials of new technologies to explore their feasibility on the Council's housing stock.

Any new contracts for energy efficiency works will require that work can be delivered to the new PAS2035 standard.

4. Implications

a) Financial Implications

A budget for the energy efficiency works is already included in the housing capital investment plan.

The total contract value over the life of the new contract(s) is estimated to be up to £8m.

It is possible that additional funding from the Social Housing Decarbonisation Fund may be available from 2023 onwards if the "Wave 2" funding stream application is successful.

b) Staffing Implications

The work will be managed by the Asset Management team Estates and Facilities.

The Council's legal and procurement teams will provide contract advice.

c) Equality and Poverty Implications

An Equality Impact Assessment is not required – this project is replacement/ installation work only.

The works will improve the energy efficiency of Council houses and we anticipate it should result in lower heating and electricity bills for tenants.

d) Net Zero Carbon, Climate Change and Environmental Implications

The Council's climate change rating tool has been completed to assess the environmental implications of this proposal.

The assessment is that there is positive net overall impact.

There is a positive impact from the installation of external wall insulation, PV panels and other energy efficiency measures.

e) Procurement Implications

The work will be procured via a framework contract where rates have been tendered as part of setting up the framework. We will also conduct market testing to ensure that rates are reflective of current market rates. We expect to see a rise in prices compared to previous similar contracts due to price rises in materials.

f) Community Safety Implications

N/A

5. Consultation and communication considerations

All residents affected by the work will be contacted and informed about the proposed work and the potential energy and financial savings.

A planning application may be required on some properties however we may trial a different wall finish on some properties to explore an alternative permitted development route.

Party Wall notices may be required where Council properties adjoin freehold properties.

6. Background papers

No background papers were used in the preparation of this report.

7. Appendices

None

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Will Barfield, Asset Manager E:

will.barfield@cambridge.gov.uk