

Authority to award Warm Well Homes Contract

Date: 18th April 2024

Report of: Senior Project Manager

Report to: Chief Officer Climate Energy and Green Spaces

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Warm Well Homes is a long running scheme that provides heating improvements to vulnerable private households suffering from a cold related illness. The capital works are funded by Health and Housing with some survey functions funded as part of the Home Plus Leeds service.

Works are currently undertaken by Equans through the Better Homes Yorkshire contract, however this contract has now expired. West Yorkshire Combined Authority recently tendered for an Energy Efficiency Carbon Reduction Framework to replace the Better Homes Yorkshire contract. This framework allows a direct award up to a value of less than £1.5m to the highest scoring bidder, which is Equans. Due to Equans' track record of successfully undertaking works through the scheme and their position as the leading bidder on the framework, it would provide service continuity and value for money to directly award the contract to Equans through the framework.

Recommendations

- a) The Chief Officer of Climate, Energy and Green Spaces authorises the award of the Warm Well Homes contract to Equans Regeneration Ltd via the use of a direct award mechanism from the Energy Efficiency Carbon Reduction Framework. It is estimated that expenditure will be up to £200,000 per annum (based on past usage of the scheme) and would be initially from 1st May 2024 for 12 months, with the option of extending for a further 12 months.

What is this report about?

- 1 Warm Well Homes is a long running scheme that provides heating to private residents who suffer from a cold related illness. Applications for the scheme are processed by Groundwork Yorkshire as part of Home Plus Leeds while installation works are currently undertaken by Equans through the Better Homes Yorkshire contract. The installation works are funded by Health and Housing whilst the admin functions undertaken by Groundwork Leeds are funded as part of the Home Plus Leeds service. The Council reviews all applications and approves any installs. Typically the scheme installs improvements to between 50 and 100 homes per annum at a combined value of less than £200,000.
- 2 The scheme provides heating improvements such as boiler installations where the existing boiler is condemned or beyond economic repair and heating installation to low income residents with a long term cold related illness or a vulnerability.
- 3 The Better Homes Yorkshire contract has now expired, therefore there is a need to put a new contract in place. Leeds has access to the Energy Efficiency and Carbon Reduction Framework which was jointly established with the West Yorkshire Combined Authority as a replacement for Better Homes Yorkshire. This provides the opportunity to either award directly to the highest scoring bidder on the framework for contracts of a value under £1.5m or to undertake a further mini competition between all the members of the framework.
- 4 The highest scoring bidder on the framework is Equans. The Council believes that given the value of the contract it would be in the interests of the Council to undertake a direct contract award to Equans for the following reasons:
 - a) As the leading bidder on the framework, a direct award to Equans would satisfy value for money requirements.
 - b) Equans and its sub-contractors have successfully undertaken works through Warm Well Homes for many years and are aware of the schemes' requirements and processes, therefore a direct award would enable a high degree of business continuity.
 - c) The contract would be in line with the schedule of rates related to Equans under the Energy Efficiency & Carbon Reduction Framework.
 - d) Undertaking a direct award is less resource intensive than a mini competition at a time when council resources are stretched.
- 5 Health and Housing have confirmed that funding for capital works under the scheme will remain available until at least the end of February 2025.

What impact will this proposal have?

- 6 The proposal will enable the council to seamlessly continue to operate a service which assists between 50 and 100 vulnerable low income, vulnerable households without adequate heating.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 The proposal supports the Health and Wellbeing pillar because as well as being low income, a member of the household has to experience one of the following conditions which are recognised in the NICE guidance on excess winter deaths and the health risks associated with cold homes as making people vulnerable to cold related illness in order to be eligible for assistance:
 - a) Respiratory illness
 - b) Cardiovascular illness

- c) Mental illness
- d) Being over 65 and living with a frailty
- 8 The project supports the zero carbon ambition by replacing older gas boilers, gas and solid fuel fires and direct electrical heating with modern gas heating which is less carbon intensive.
- 9 In addition, householders are offered energy advice via the Green Doctor service and where suitable referred to further help with the installation of insulation and other energy saving measures.

What consultation and engagement has taken place?

Wards affected: n/a
Have ward members been consulted? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

- 10 The scheme is city wide, therefore there are no implications for particular localities. Additionally, because the proposal is facilitating the continuation of an existing scheme there is no requirement for widespread consultation.

What are the resource implications?

- 11 The proposal will facilitate the continuation of an existing scheme dependant on pre-existing funding streams; therefore no new resource will be required.
- 12 Health and Housing have confirmed that funding for the capital works of the scheme is secure for at least until the end of February 2025. Funding for Home Plus Leeds is also confirmed to last for at least a further year.

What are the key risks and how are they being managed?

- 13 The key risk is that funding for the scheme becomes unavailable, however Health and Housing have confirmed that it will be available until at least the end of February 2025, therefore the proposal is to engage Equans for 1 year from April 2024 – March 2025 with the option to extend for a further 12 months, as this will then ensure that we can terminate the contract if funding is no longer available.
- 14 Warm Well Homes is a responsive scheme, therefore there is a risk that demand for the scheme could outstrip the funding available although this has never yet happened. To alleviate this risk, the Climate Energy and Green Spaces team provides quarterly updates of installations and expenditure to the primary funder, Housing and Health.
- 15 There is a risk that problems could arise with the delivery of the service. To alleviate this, all installations are reviewed and approved by the Climate, Energy and Green Spaces Team who would be in regular contact with any appointed contractors.

What are the legal implications?

- 16 As the proposed value of this contract arrangement is less than £500,000 the proposal is a Significant Operational Decision and is not eligible for call-in.
- 17 As the proposal will facilitate the continuation of the existing Warm Well Homes scheme there are no new legal implications.
- 18 The Climate, Energy and Green Spaces Team have consulted with Procurement and Commercial Services (PACS) in respect of using the framework. Calling-off from a third party framework agreement is an approved method of procurement provided the framework terms

and conditions have been approved by PACS Legal in accordance with Contracts Procedure Rule 12.3.2.

Options, timescales and measuring success

What other options were considered?

19 Consideration was given to undertaking a mini-competition through the Energy Efficiency Carbon Reduction Framework, however this would take around two months longer and require additional resource from the Climate, Energy and Green Spaces and given that Equans have already scored highest in the tender process, a direct award will still represent value for money.

How will success be measured?

20 Success will be demonstrated by the continued provision of the Warm Well Homes service to vulnerable low income households in Leeds.

What is the timetable and who will be responsible for implementation?

21 Should this proposal be approved the Climate Energy and Green Spaces team would propose to award the contract by 1st May 2024 with works starting in May 2024 for 12 months.

22 The Project Officer is responsible for implementation.

Appendices

- (Confidential) Scoring sheet for Energy Efficiency and Carbon Reduction Framework.

Background papers

- N/A