

Birmingham City Council

Report to Cabinet

26 July 2022



Subject: Birmingham '3 Cities' Whole House Retrofit Pilot

Report of: Julie Griffin, Strategic Director, City Housing

Relevant Cabinet Member: Councillor Sharon Thompson, Cabinet Member Housing and Homelessness

Councillor Yvonne Mosquito, Cabinet Member Finance and Resources

Relevant O & S Chair: Councillor Mohammed Idrees, Housing and Neighbourhoods
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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Bromford and Hodge Hill		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 009767/2022		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential: No		

1. Executive Summary

- 1.1. This report sets out Birmingham's initial contribution to the developing 3 cities retrofit programme and presents the options that have been explored, as detailed in the appended enhanced Business Case (Appendix 1). It further sets out the approvals for investment required to modify up to 300 Housing Revenue Account (HRA) Council Properties as a pilot, to test approaches to improve their thermal efficiency, reduce carbon emissions, and provide energy savings for tenants. To realise these benefits this report sets out the proposed pilot approach and seeks Cabinet approval to:
- Proceed with a pilot involving up to 300 properties¹ in East Birmingham.
 - Invest £25.986m capital and £2.203m revenue over 30 years (as set out in the table at 8.3.4). £18.064m has already been built into the HRA investment plan, there remains further pressures on the capital investment budget. These can be reduced, if not mitigated, by the introduction of the comfort plan and grant funding as detailed in this report.
 - Assess opportunities to reduce the total funding requirement through access to existing and new grant funding opportunities².
- 1.2. The pilot directly supports Birmingham's bold ambition to deliver best in class housing services, placing the Council front and centre in addressing fuel poverty in an affordable and achievable way by developing and implementing innovative solutions and funding models to scale up whole house retrofit.
- 1.3. The social value outcomes expected to be achieved as a result of the pilot are in accordance with BCC's Social Value Policy and the Birmingham Business Charter for Social Responsibility and are detailed in Section B4 of Appendix 1.
- 1.4. The scale of the Council's stock ownership is large (c. 60,000 homes); the delivery of the Whole House Retrofit Pilot presents a material opportunity for BCC to progress towards its net zero carbon ambitions, and to make a significant contribution to economic recovery and growth through employment and skills opportunities for local businesses and the local community, and the economic benefits this can bring to the City in addition to creating a healthy community supporting a just transition.
- 1.5. The pilot scheme is intended to make a step towards these ambitions while allowing the Council to apply an incremental learning approach to works, incorporate future technology available, and begin the route to zero work on Council stock without committing the Council to unaffordable levels of borrowing.

¹ The scope of the Whole House Retrofit Pilot is for 300 properties of two archetypes, cross wall houses and low-rise flats. Combined, these two archetypes comprise between 35-40% of the non-high rise BCC social housing stock

² It is intended to access Social Housing Decarbonisation Fund (SHDF), Wave 2 funding (circa £700m) for the Whole House Retrofit Pilot and for other social housing properties across Birmingham

- 1.6. Alongside the retrofit pilot detailed in this paper, the HRA has a budget built into the 10-year plan for redevelopment, between £40m-£80m per annum. The pilot, funded from the Housing Improvement budget within the HRA, is to trial retrofit on 300 properties in order to open up funding opportunities, find efficiencies in technology and process, and stimulate the market towards retrofit, so that a mix of retrofit and rebuild can be used to meet the carbon reduction targets on the entire Council stock over the longer term.

2. **Recommendations**

That Cabinet:

- 2.1. Approves the Business Case attached at Appendix 1.
- 2.2. Approves the approach to proceed with the Whole House Retrofit Pilot of 300 HRA Council properties in East Birmingham using two approaches:
- Using the existing contracting arrangements to upgrade approximately 174 low-rise flats to an Energy Performance Contract (EPC) B+ rating
 - Using the innovative Energiesprong approach to upgrade 126 cross-wall properties to an Energy Performance Contract (EPC) A rating.
- 2.3. Approves the provision of £17m HRA capital funding to upgrade up to 300 properties to be met from the existing Capital Investment Programme, and approves spending up to a further £11m to be funded from additional income sources, Right to Buy receipts and grants, or from further HRA borrowing if required.
- 2.4. Approves the recommendation to engage and consult with the affected tenants and their communities in the Bromford and Hodge Hill area of East Birmingham. The properties will be selected using the archetype criteria detailed in the Business Case and agreed by the Strategic Director City Housing.
- 2.5. Approves the Procurement Strategy attached at Appendix 3.
- 2.6. Delegates authority to:
- The Strategic Director City Housing to vary the split of archetypes for each solution within the approved cost envelope to manage delivery within any arising supply side and manufacturing constraints.
 - The Strategic Director, City Housing (or their delegate) in conjunction with the Director of Council Management (or their delegate) and the City Solicitor and Monitoring Officer (or their delegate) to:
 - Utilise the existing Housing Repairs and Maintenance contractual arrangements with Equans, as part of the 2022-2024 Capital Programme, to deliver the WHR upgrade to 174 low-rise flats to EPC B+.

- Commission the Energiesprong WHR solution to 126 cross-wall homes, making a direct award to Equans via the Fusion 21 Decarbonisation Framework Lot 1: Whole House Decarbonisation.
- Work with Energiesprong UK to access lessons learned in relation to retrofit solutions, costings and commercialisation and emerging best practice via the RAHIP partnership collaboration hub.
- Submit bids for and accept available grant funding to support delivery of the pilot from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Growing Places Fund, the Social Housing Decarbonisation Fund (SHDF) and other relevant grant funding opportunities.
- As part of the 2 year pilot introduce the Energiesprong 'Comfort Plan'³ mechanism which improves the energy efficiency of homes, benefits tenants and provides the Council with a contribution to investing in retrofitting more stock and the wider scaling of WHR.

2.7. Authorises the City Solicitor and Monitoring Officer to negotiate, execute and complete all necessary documentation to give effect to the above recommendations.

3. Background

- 3.1. BCC is one of the largest landlords in the UK. It is responsible for 15% of the total housing stock in the city, some 60,000 homes, with a mix of high and low-rise flats, detached, semi-detached and terrace properties. BCC needs to improve the thermal efficiency of its housing stock to reduce carbon emissions, reduce energy bills, address fuel poverty and support a just transition to a zero carbon city as part of delivering the Council's net zero priority and a wider Asset Management strategy for long term investment requirements.
- 3.2. BCC's housing stock is a large net contributor to the city's carbon emissions. The BEIS 'City Decarbonisation of Heat-Delivery', September 2020 reports that the greenhouse gas (GHG) emissions arising from overall domestic heating accounts for 26% of the City's total GHG emissions which are estimated at circa 4,251ktCO₂e. Tackling these heat emissions and achieving a 'net zero' position is key to BCC achieving its Route to Zero (R20) priorities.
- 3.3. BCC have a number of projects currently in place such as Large Panel System (LPS) pilot and Local Authority Delivery grant schemes, these follow a national government (grant funding) strategy that seeks to raise the energy efficiency of low-income and low EPC (E,F&G) rated homes to EPC C.⁴ These projects have provided a source of learning and act as a positive step in the right direction, but

³ The Comfort Plan is described in the Business Case, Appendix 4.

⁴ Through the Clean Growth Strategy (2017), the UK government has set a target for social housing providers to attain the minimum rating of Energy Performance Certificate (EPC) C for rented properties by 2035 (2030 for 'fuel poor' households).

they are limited in scale and scope and are reliant on public sector grant funding which in relative terms is small and often very time limited. Rapid scaling up is necessary and this requires adjustments to scope, delivery models and financing models. BCC wishes to develop a platform to address its wider social housing estate. To do this there is a need to explore different options that offer a realistic means of scaling up as well as learning lessons from other local authority schemes.

- 3.4. The cost of addressing the entirety of BCC's 60,000 homes has been estimated to be more than £3.6bn over 30 years. Sourcing the funds and planning to address this is a significant challenge for BCC. The Council's existing budgets are already committed to deliver frontline services. There is limited funding available, hence a creative financial solution is required that ensures costs and benefits are spread equitably. Although the solution will come through BCC leadership, it cannot come solely at BCC's cost. The plan is to explore alternative technical solutions and funding models as part of the pilot learning.
- 3.5. The Pilot presents a bold and innovative opportunity to build on local, regional and national ambitions to reduce carbon emissions, deliver future-proofed retrofit for BCC's 'worst-first' properties and address fuel poverty in East Birmingham through improved performance and reduced energy bills. Critically the project directly advances local and national inclusive growth, supports the Council's levelling up strategy and '3 cities' approach and 'build back better' objectives. Increased inclusivity of growth will be derived from place-based regeneration, focusing on 'worst-first' housing and 'green growth' through growing jobs, skills and the low carbon economy.
- 3.6. The scope of the WHR Pilot is for 300 properties of two archetypes, cross wall houses and low-rise flats. Combined, these two archetypes comprise between 35%-40% of the non-high rise BCC social housing stock overall. It is expected that the findings and outcomes of the pilot will play a significant role in contributing to the direction and approach adopted in BCC's longer-term housing strategy to decarbonise the housing stock and improve resident health and wellbeing.
- 3.7. One option to the delivery of whole house retrofit and financing, is an innovative partnership approach based on the Energiesprong model.
- 3.8. The Energiesprong model as described in Appendix 5, provides a scalable and affordable solution whilst delivering energy cost benefits to residents and lowering carbon emissions.
 - 3.8.1. Energiesprong is a proven solution in the Netherlands and relatively new to the UK, with active pilots across a number of social landlords in the UK. The market is maturing – it is an innovative approach to undertaking whole house retrofit and is distinguished by:
 - 3.8.1.1. The Performance Management Framework - a guarantee by the solution provider to the resident of a minimum level 'Comfort Plan' of hot water, heating and electricity for an agreed level of energy consumption.

- 3.8.1.2. The Comfort Plan is described in greater detail in Appendix 4. The household comfort plan is an agreement between BCC and the tenant which establishes a kWh/year consumption and comfort plan charge for guaranteed 'comfort' outcomes. This enables tenants to warm their homes, have access to hot water and power electrical appliances with significantly reduced energy consumption, providing tenants with some protection against energy price inflation and the Council with a contribution to investing in retrofitting more stock and the wider scaling of WHR.
- 3.8.1.3. The comfort plan charge is an amount charged by BCC to the tenant representing a share of the savings made / costs avoided by the tenant. This provides a contribution to BCC which is required to support the wider scaling of WHR across the whole housing stock.
- 3.8.1.4. Performance Guarantee - the solution provider guarantees:
- Planned maintenance costs of the retrofit improvement works over 10 years
 - Equipment replacement cycles and costs over 10 years
 - Energy performance (kW) over 10 years assuming the residents operate their homes within the agreed comfort plan.
- 3.9. With a whole house retrofit approach there are clear social economic opportunities to create infrastructure, employment, supply chain, manufacturing etc. Cost reductions can be achieved as cost reduction is primarily a function of volume not of time, e.g. if there is a secure and steady demand for net zero energy retrofits industry can respond to this demand and invest in innovation as well as off-site manufacturing capability/capacity.
- 3.10. The Council has set out in its Levelling Up Strategy an approach to tackle inequality and includes a commitment to tackle fuel poverty through retrofitting housing stock and references working regionally with the '3 cities'. The recommendations in this report and the pilot approach will assist in developing the social economic opportunities in regard to mobilising supply chain and manufacturing for 'at scale' retro fit activity and testing market readiness.

4. Governance

- 4.1. The Whole House Retrofit Pilot project will be an integral part of the City Housing Transformation Programme which comprises a portfolio of projects for the delivery of the City Housing vision.
- 4.2. The Whole House Retrofit Pilot project will be a core component of the Housing Management / Capital Investment and Repairs Transformation Programme.
- 4.3. The project will be managed in accordance with BCC corporate projects and programmes methodology, as agreed with the Housing Transformation Programme and corporate PMO.

- 4.4. It is intended that the Pilot will be delivered by BCC's Strategic Housing Repairs and Maintenance Partner. The Whole House Retrofit Pilot project organisation and reporting structure is illustrated in the appended Business Case.

5. Options considered and recommended proposal

- 5.1. The Government's Net Zero Strategy (2021) and Heat & Buildings Strategy (2021) both reiterated the Government's commitment to ensuring "as many homes as possible" achieve an energy performance certificate (EPC) rating of C by 2035. On social housing, the intent is to "consider setting a long-term regulatory standard" to raise it up to a minimum of EPC band C. Achieving EPC C should be considered as the minimum long-term standard the City should set for its housing stock. With the City's aim to be carbon neutral by 2030 the ambition for the City's housing stock needs to be set substantially higher.
- 5.2. Undertaking a programme of works to transition a property to EPC C often involves significant external fabric interventions. Improving a property to EPC B or A rated additionally involves changing the energy source from gas to a carbon neutral or 'net zero ready' energy supply such as Air Source Heat Pump, importantly the Government anticipates full decarbonisation of the electricity grid by 2035. This means all heating and energy derived from electricity will be carbon neutral.
- 5.3. A whole house retrofit Pilot of 300 properties represents a significant programme of work and affords the City with the opportunity to explore how upgrading and improving properties can:
- Reduce resident fuel poverty.
 - Improve resident health and wellbeing.
 - Deliver local jobs, apprenticeships and increased green economy skills.
 - Contribute to a reduction in the City's carbon footprint.
 - Be delivered at pace using new and innovative technologies.
 - Fit within budgetary constraints and be affordable.
- 5.4. The Pilot has considered three options. Two of the options include delivering the Pilot using the existing contractual arrangements for commissioning capital works; and the third option involves using the Energiesprong innovative approach to delivering whole house retrofit. These options are summarised below:
- 5.4.1 Option 1: EPC C - This option would progress retrofit based on the existing contractual approach to repairs and maintenance.
- 5.4.2 Option 2: EPC B+ - This option would deliver enhanced retrofit measures through existing contractual arrangements. This option includes the integration of a carbon neutral energy system comprising an Air Source Heat Pump (ASHP), Photo Voltaic (PV) solar panels and a battery energy storage arrangement.
- 5.4.3 Option 3: EPC A - This option would seek to pilot the innovative, whole house Energiesprong approach to retrofit and financing. This is an emerging, innovative

approach to undertaking whole house retrofit and is distinguished by the partnering guarantee arrangements put in place between the landlord, solution provider and resident. This option includes a whole house approach, including a new roof cartridge with integrated PV replacing gas heating with a carbon neutral energy system comprising an ASHP, PV solar panels and a battery energy storage arrangement. The pilot would be delivered using the Fusion 21 Decarbonisation procurement framework.

5.4.4 The three options are summarised in greater detail in the attached Business Case.

Preferred Option

5.5 The options have been assessed against a common set of evaluation criteria including critical success factors, risks & issues, social & economic values (including CO2 savings) and delivered cost. This is detailed within the attached business case.

5.6 The options assessment included options assessors individually scoring each of options 1, 2 and 3 (and a Do-Nothing option) as either High, Medium or Low against the identified criteria. The assessment scores were presented back in anonymised form for group evaluation and moderation. The results of the options assessment are summarized below:

Categories	Score				Weighted Score			
	Do nothing	Option1 EPC C	Option 2 EPC B+	Option 3 EPC A	Do nothing	Option1 EPC C	Option 2 EPC B+	Option 3 EPC A
Critical Success	80	100	420	480	24	30	126	144
Risks & Issues	630	600	340	250	63	60	34	25
Social & Economic	60	80	240	360	12	16	48	72
Delivered Cost	60	60	30	10	24	24	12	4
	830	840	1,030	1,100	123	130	220	245

5.7 The options assessment scores rank option 3 the highest, closely followed by option 2. option 1 and the option to do-nothing both attracted very low scores.

5.8 Option 3 was assessed most highly in the categories of BCC's critical success factors and social & economic value. However, as an innovative and new approach to whole house retrofit it was also assessed to be a higher risk option and to have a much higher cost – as evidenced by the low scores relative to option 1 and 2.

5.9 Option 3 additionally incorporates a high level of digital⁵ enablement and monitoring of the WHR solution components including temperatures, energy consumption, air flow and ventilation. This supports the tenant to better monitor and manage their living environment and will, via IoT⁶, enable BCC to receive up-to-date information on the internal environment, condition and performance of key

⁵ Birmingham Digital City Programme Digital Sustainability Business Case December 16, 2021

⁶ IoT Internet of things describes physical objects with sensors, processing ability, software, and other technologies that connect and exchange data with other devices and systems over the Internet

solution components to support tenant health and wellbeing and also support proactive asset management and maintenance. This directly supports the Digital City - digital sustainability proposal that sets out the opportunities and benefits for including the digital capabilities.

- 5.10 Based on the detailed option appraisal undertaken by the Project Team it is proposed that the Whole House Retrofit Pilot is progressed using option 2 and option 3. The proposal is that the approach proposed by option 2 is applied to approximately 174 low-rise flats and option 3 is applied to approximately 126 cross-wall properties. This will provide BCC with a robust case for impact assessment for two solutions, support the BCC ambition to evaluate and apply innovative solutions and ensure that BCC take a prudent approach to managing costs and risks.

6 Consultation

- 6.1 Capital Board has been consulted with regards to the capital investment.
- 6.2 The following Cabinet Members have been consulted and are supportive of the proposed approach. The Leader, Cabinet Member Environment (and Ward Member) and the Bromford and Hodge Hill Ward Member have been consulted on this report and approve of the recommended approach (appendix 6).

7 Risk Management

- 7.1 Risks as detailed in the appended business case will be managed at the project level by the Project Manager for the Pilot, reporting to the City Housing Transformation Programme Board.
- 7.2 Risk management methodology will follow the City Council's standard approach as agreed with the Corporate PMO.

8 Compliance Issues

- 8.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

The proposals within this report will make a direct contribution to both Corporate and Directorate outcomes, and is an example of Birmingham taking a Bold approach, specifically it supports the Council plan priorities:

- Birmingham is a great, clean and green city to live in;
 - Birmingham is a city that takes a leading role in tackling climate change.
- It will contribute directly to the Councils route to net zero priority

8.2 Legal Implications

- 8.2.1 The proposed allocation of work is consistent with the effective management of the Council's housing stock under Part II Housing Act 1985.

8.2.2 Under S.111 Local Government Act 1972 the Council has power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

8.3 Financial Implications. Overview of cost per option, grant contributions, tenant benefits

8.3.1 Initiatives to increase thermal efficiency and reduce carbon emissions from the Council's housing stock are driven by non-financial objectives, with the Council having recognised a climate emergency in 2019, internal ambitions to reach carbon neutrality by 2030, legislation requiring minimum EPC-C ratings on Council housing stock by 2025, and economically driven objectives to reduce fuel poverty among Birmingham residents as energy costs increase. It is currently estimated that applying measures to the entire stock would cost around £3bn.

8.3.2 As such the pilot scheme is intended to make a step towards these ambitions while allowing the Council to apply an incremental learning approach to works, incorporate future technology when available, and begin the route to zero work on Council stock without committing the Council to unaffordable levels of borrowing.

8.3.3 Alongside the retrofit pilot detailed in this paper, the HRA has a budget built into the 10-year plan for redevelopment, between £40m-£80m per annum. The pilot, funded from the Housing Improvement budget within the HRA, is to trial retrofit on 300 properties in order to open up funding opportunities, find efficiencies in technology and process, and stimulate the market towards retrofit, so that a mix of retrofit and rebuild can be used to meet the carbon reduction targets on the entire Council stock over the longer term.

8.3.4 The table in 8.3.5 highlights that the recommended option will cost £25.986m capital and £2.203m revenue over 30 years. This has been increased by 5% to cover assumptions in the modelling and fluctuations in timing and costs. The differences between this option and the other options are reduced by grants, energy tariff exports and the opportunity for introducing a comfort plan, as detailed in 8.3.7.

8.3.5

30 year undiscounted cost £m	Option 1 EPC-C	Option 2 EPC-B+	Option 3 EPC-A	Option 4 EPC-B+/EPC-A
Capital cost	15.345	23.592	29.681	25.986
Revenue cost	1.356	1.479	3.203	2.203
Optimism bias 5%	0.835	1.253	1.644	1.409
Total Cost	17.536	26.324	34.528	29.598

8.3.6 The recommended option is detailed in the table in 8.3.7. It shows that with £18.064m already built into the HRA investment plan, there remains further pressures on the capital investment budget. These can be reduced, if not mitigated, by

- i) applications for grants to fund the works, such as Social Housing Decarbonisation Funding (SHDF) to be released in September 2022. This could contribute up to £12k per property if successful. Existing grant opportunities which have been, or will be, bid for could contribute up to £7.557m towards the cost.
- ii) the inclusion of the comfort plan is estimated to bring in £3.978m. It is proposed to develop and introduce the comfort plan during the 2 year pilot. The arrangements to administer and manage the comfort plan contribution will be developed and trialled during the initial solution rollout. The comfort plan is based on the premise of making a charge to tenants so that they, and the Council, share the benefit of energy cost savings resulting from the retrofit as a contribution towards the cost of investing in retrofitting more stock and the wider scaling of WHR.

Cabinet is asked to note that if these bids are unsuccessful, or the comfort plan not introduced, along with any shortfall in these funding streams, then further borrowing will need to be undertaken from the HRA, or further use of Right-to-Buy reserves, up to the value of £11.535m, with the impact of reducing the amount which can be invested in other initiatives outside of carbon reduction.

8.3.7 The recommended option is detailed in the table below:

£m	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Future Years	Total
Capital	0.000	10.484	10.484	0.000	0.000	0.000	0.000	5.018	25.986
Revenue	0.177	0.164	0.046	0.095	0.046	0.062	0.095	1.519	2.203
Optimism Bias	0.009	0.532	0.526	0.005	0.002	0.003	0.005	0.327	1.409
Total	0.186	11.181	11.056	0.099	0.048	0.065	0.099	6.864	29.599
Funded by:									
PV Export Tariff	0.000	-0.022	-0.022	-0.022	-0.022	-0.022	-0.022	-0.531	-0.664
Renewable Heat Grant	0.000	-0.500	-2.000	0.000	0.000	0.000	0.000	0.000	-2.500
Right to buy receipt		-3.900							-3.900
Planned HRA Borrowing		-2.640	-8.360						-11.000
Funding to be underwritten by HRA borrowing	0.186	4.119	0.674	0.077	0.026	0.043	0.077	6.333	11.535
Comfort Plan	0.000	-0.133	-0.133	-0.133	-0.133	-0.133	-0.133	-3.182	-3.978
Further grant funding sought		-4.557	-3.000						-7.557

The supply and installation of energy savings materials is liable to VAT at the standard rate of 20%. As the provision of residential accommodation through Birmingham's HRA is a non-business activity for VAT purposes, Birmingham City Council can reclaim VAT on the installation of energy saving materials within HRA residential properties. As such, VAT should not be a cost to the project.

8.4 Procurement Implications

- 8.4.1 To support the development of the procurement strategy, Corporate Procurement engaged the services of Local Partnerships, who are jointly owned by the Local Government Association, HM Treasury and the Welsh Government. Local Partnerships have a wealth of experience in public sector procurement and in particular, the housing and retrofit category areas.
- 8.4.2 Corporate Procurement supported by Local Partnerships, have undertaken a detailed market review of procurement options available for the delivery of retrofit

within social housing. Specifically, the options available to deliver EPC B+ and EPC A, as required for testing during the pilot phase.

- 8.4.3 This process identified 33 frameworks/ Dynamic Purchasing Systems (DPS) that exist to support the delivery of domestic retrofit. To appraise these options in more detail, further desktop research and engagement with owners of the Frameworks and DPS has been undertaken to assess the suitability of their agreements. After due consideration 10 frameworks were shortlisted for further review.
- 8.4.4 As more than one route can be adopted to achieve BCC's aims and the requirements of the pilot, Corporate Procurement & Local Partnerships developed detailed assessment criteria, against which to assess the suitability of the shortlisted Frameworks and DPSs, as well as the Council's own in house contract provisions in this area.
- 8.4.5 The Procurement Strategy (Appendix 3) sets out the detailed review and options appraisal process adopted by Corporate Procurement in order to evaluate all available options to support the delivery of the WHR Pilot. This detailed assessment, identified the procurement routes below as the most appropriate for this pilot:
- EPC B+: The Council's current contract for the provision of R&M, Gas Servicing and Capital Improvement Works Programmes.
 - EPC A/Energiesprong: Greater London Authority: Retrofit Accelerator Homes Innovation Partnership (RAHIP).
- 8.4.6 Since completion of the Business Case in April 2022, it has not proved possible to contract with Equans via the RAHIP procurement framework which was identified as the recommended route. The benefit of contracting with Equans is that they are one of the Council's current Housing Repairs and Maintenance contractors and are recommended to undertake the EPC B+ work, therefore there are efficiencies to having the same contractor engaged on both retrofit solutions. As Equans can be directly engaged through the Fusion 21 Decarbonisation Framework, which was the second ranked procurement route, it is therefore recommended that the EPC A/Energiesprong solution is commissioned via the Fusion 21 Decarbonisation Framework Lot 1: Whole House Decarbonisation.
- 8.4.7 Additional information to support the Procurement Implications and Strategy is contained in Appendix 3.

8.5 **Public Sector Equality Duty**

Regarding section 149 of the Equality Act 2010, the proposed operating model has no practices that could be considered unfair, unlawful or discriminatory within this context. The Equality Assessment (EA) that reflects the changes of this proposal will be monitored and re-evaluated at the end of consultation.

9 **Background Documents**

None

10 Appendices

Appendix 1 – Enhanced Business Case

Appendix 2 – Equality Assessment

Appendix 3 – Procurement Strategy

Appendix 4 – The Comfort Plan explained

Appendix 5 – The Energiesprong model explained

Appendix 6 – Ward Councillors Consultation Matrix