

## RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

### \*PART 1 – PUBLIC DOCUMENT

#### SERVICE DIRECTORATE: REGULATORY

#### 1. DECISION TAKEN

- 1.1 The procurement of Cornerstone Ltd as preferred contractor under the Council's Park Homes Insulation Scheme, which has been awarded funding from the Department for Business, Energy and Industrial Strategy, under their Green Homes Grant Local Authority Delivery Phase 1b Scheme.
- 1.2 The procurement is by Direct Award through a Procurement Framework operated by Efficiency East Midlands Ltd (EEM).

#### 2. DECISION TAKER

- 2.1 Ian Fullstone, Service Director – Regulatory

#### 3. DATE DECISION TAKEN:

- 3.1 22<sup>nd</sup> March 2021

#### 4. REASON FOR DECISION

- 4.1 The Council has been awarded £744,160 Green Homes Grant Local Authority Delivery Phase 1b (GHG LAD1b) funding from the Department for Business, Energy and Industrial Strategy (BEIS). LAD1b schemes are to run from April 2021 to 30<sup>th</sup> September 2021. The funding is to provide external wall insulation to eligible Park Homes under the Council's Park Homes Insulation Scheme, to improve energy efficiency and reduce fuel poverty.
- 4.2 This decision concerns approximately £716,291 of the award, for capital and ancillary works to be carried out by the contractor. The remainder of the award is for Council staffing costs to be applied against the grant.

#### 5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 None. The grant award followed a detailed bid by officers and therefore can only be spent for the purpose identified. The procurement process needs to be expedited swiftly in order to meet the BEIS project window; unspent grant will likely need to be returned. The EEM framework provides a robust process for procurement and has involved officers from Legal and Procurement.

#### 6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

- 6.1 The Executive Member for Housing and Environmental Health, Cllr Gary Grindal and the Deputy Executive Member for Housing and Environmental Health, Cllr Sean Prendergast have been consulted and are both supportive of this decision.
- 6.2 Public consultation at this stage has been limited to liaising with site owners and managers. BEIS has asked for no local publicity until they promote the launch of the national LAD1b scheme on 23<sup>rd</sup> March.

## **7. FORWARD PLAN**

- 7.1 This decision is not a key Executive decision and has therefore not been referred to in the Forward Plan.

## **8. BACKGROUND/ RELEVANT CONSIDERATIONS**

### 8.1 Green Homes Grant – Local Authority Delivery (LAD) Scheme

- 8.1.1 On 23<sup>rd</sup> October 2020, Local Authorities were invited to bid for funding for Phase 1b of the Green Homes Grant – Local Authority Delivery (LAD) Scheme. The LAD scheme aims to raise the energy efficiency of homes with low Energy Performance Certificate (EPC) ratings, including homes off the gas grid, occupied by low-income households. The scheme forms part of the government's package of Covid-19 economic stimulus measures.

- 8.1.2 Eligible measures under the national LAD scheme include wall, loft and underfloor insulation, and low-carbon technologies. The focus is on households with an income of less than £30,000 per year.

### 8.2 North Herts Park Homes Insulation Scheme

- 8.2.1 North Hertfordshire District Council (NHDC) contains 9 park homes sites, occupied by a higher proportion of older, more vulnerable and lower income households than the general population. NHDC aims to support these often-vulnerable park home residents to remain in their homes for as long as they wish, and for these homes to remain habitable, affordable and conducive to good health. None of our park homes have benefited from any externally funded retrofit central government funded programmes to date.

- 8.2.2 Therefore, in December 2020, officers submitted a proposal to install external wall insulation to 75 Park Homes, with underfloor insulation and loft insulation also installed where viable.

- 8.2.3 On 12<sup>th</sup> February 2021, BEIS awarded NHDC £744,160 to deliver the project by 30<sup>th</sup> September 2021. On 19<sup>th</sup> February 2021, officers submitted the required project documentation (Memorandum of Understanding, Risk Register, Privacy Notice etc.) to BEIS. On 11<sup>th</sup> March, BEIS advised the successful Councils that the grant monies would be issued by the national launch on 23<sup>rd</sup> March 2021.

### 8.3 Project purpose

The purpose of the project is to externally insulate 75 of the 400+ (approximately one fifth) privately owned park homes inhabited by low income households within the district.

### 8.4 Contractor Selection

- 8.4.1 BEIS stipulate that all installations under LAD1b must be completed by 30<sup>th</sup> September 2021, though there is provision in the Memorandum of Understanding that the project window may be extended. The approved project plan indicates contractor selection would take place in February and March, with site surveys commencing in March, and installations commencing in April, to enable a flow of work until the end of September 2021.

- 8.4.2 The Council registered with the EEM Framework in February 2021. Within the framework Cornerstone were ranked first under the relevant lot and were cheapest on price overall. Due diligence checks were carried out, leading to the decision to procure Cornerstone through a Direct Award under the EEM framework.

8.4.3 The BEIS Memorandum of Understanding requires that the Authority will, where reasonably possible, use Eligible Contractors certified to PAS2030:2019 and compliant with PAS 2035:2019. Contractors must be registered with, and lodge measures with TrustMark. This provides a specification and compliance regime for retrofitting dwellings for improved energy efficiency. Cornerstone meet these requirements.

#### 8.5 Site Selection

The approved proposal states that all 9 sites are considered eligible under the scheme, with properties that are off the mains gas network being targeted. The focus is on the two largest sites first, for operational reasons, and as these are without a mains gas supply (fuel is a key factor in EPC rating). Concentrating on a small number of larger parks will increase efficiency, supporting the deliverability of the project within the permitted timescales and will better enable awareness to be raised amongst householders. Should there not be sufficient uptake on the first two park home sites, one or more of the smaller sites will be considered.

#### 8.6 Property Selection

Individual properties will qualify where they have an EPC rating of D-G (although off gas park homes are generally Fs or Gs), were built pre-2005 and have little or no existing insulation. Where demand exceeds available funding, we will need to consider prioritising those properties built prior to 1996, when the British Standard for Residential Park Homes (BS 3632: 1995) was introduced. Eligible properties must be structurally suitable for the installation of external wall insulation, e.g., without existing wall cladding or serious disrepair.

#### 8.7 Household Eligibility

8.7.1 Many of the park home residents are retired with some in full or part time employment. In addition, the Economics of the Park Homes Industry (2002) study found that 64% of park home households have incomes below £800 per month. As such, it is anticipated that a high proportion of park home households will meet the low-income criteria.

8.7.2 NHDC staff will verify household eligibility by conducting resource tests and assessing household income. This would include evidence checks on income such as pension contributions, pay slips and share dividend annuities. To expedite the process, recognised passporting benefits would confirm that households meet the eligibility criteria from the outset, including Universal Credit and Council Tax Reduction to eliminate further financial assessments of applicable residents.

8.7.3 If during the installation process other works are identified as being required to the park home, the owner will be signposted to the Council's Home Repair Assistance Grant (HRAG) scheme if it is felt these works meet the criteria of the scheme.

### **9. LEGAL IMPLICATIONS**

9.1 Residential Park Homes sites must be licensed under the Caravan Sites and Control of Development Act 1960. Local Authorities can attach conditions to licences but must have regard to model standards published by central government. The most recent model standards were published in 2008.

9.2 When selecting suitable sites, homes and materials for the project, regard will be had to the site licence conditions. These require a fire separation distance between park homes of not less than 6 metres. Where the home has been retrospectively

fitted with cladding from Class 1 fire rated materials to its facing walls, then the separation distance may be reduced to a minimum of 5.25 metres.

- 9.3 As part of our approach to assessing their suitability, once the specification for the proposed cladding materials is available, and before any installations commence, officers will seek advice from Hertfordshire Building Control and the Hertfordshire Fire and Rescue Service. Where necessary the appropriate consents will be obtained.
- 9.4 Paragraph 14.6.10(b)(vii) of section 14 of the Council's Constitution gives the Service Director - Regulatory the authority to exercise functions relating to, among others, housing grant and loans. The Executive Member for Housing and Environmental Health is responsible for the leadership, strategic planning and development, partnership working and decision making within the above listed service area under this paragraph 14.6.10.
- 9.5 The contract has been awarded by way of a direct award under the 'External and Internal Wall Insulation, Render Systems and Associated Works' framework agreement with Efficiency East Midlands Limited (EEM). Information on EEM's website confirms that the tender process for the framework is fully compliant with the Public Contracts Regulation 2015.
- 9.6 A Members Agreement was required for the framework agreement to be available for use by NHDC. Legal confirms that the Members Agreement was reviewed prior to execution and the terms are acceptable. Legal has also reviewed the terms of the Framework Agreement and confirm that there are acceptable.
- 9.7 Legal will assist officers in the preparation of the call-off contract under the Framework Agreement.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. The project is fully funded by the BEIS grant. Up to 15% of the grant may be spent on relevant NHDC staff costs.
- 10.2. The contract sum is based on rates provided by the proposed contractor, to provide external wall insulation, with associated costs and measures, to 75 park homes.
- 10.3. This estimates a mix of single and double park homes, provision for some to require a small amount of remedial work to facilitate the installation, and some being able to benefit from loft and floor insulation. All homes will receive a technical survey, and pre and post- installation EPC assessments. The contractor is also required to provide monitoring and reporting, as part of the ancillary costs.

## **11. RISK IMPLICATIONS**

- 11.1 The detailed pricing provided by the contractor allows Officers to track expected spend and therefore take measures to ensure that grant use is maximised, whilst not overspending against what is available. The selection methods described in section 8 will be applied.
- 11.2 A risk register has been submitted to BEIS as part of the Memorandum of Understanding. The register was jointly produced by Environmental Health and Risk and Performance officers.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 The background information as stated at Section 8 notes the proposed improvements will seek to assist those vulnerable groups (some identified as being on lower incomes and older member of the community). This action actively supports the Duty as set out above.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and “go local” policy do not apply to this decision. The framework provider at the time of establishing the framework made necessary considerations of the Social Value Act 2012.

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1 The proposed work to install external wall insulation to 75 park homes, will have a positive impact in regard to energy use and reduce emissions. The site surveys as noted at 8.4.1. will quantify the level of impact of this installation.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no human resource implications directly related to this decision.

## **16. BACKGROUND PAPERS**

- 16.1 None

## **17. APPENDICES**

- 17.1 None.

## **NOTIFICATION DATE**

26 March 2021

## **Signature of Executive Member Consulted**

**Cllr Gary Grindal supported by email**

**Date 22 March 2021**

**Signature of Decision Taker**



**Ian Fullstone Service Director - Regulatory**

**Please Note: that *unless urgency provisions apply* EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.**

**Call-in does not apply to NON-EXECUTIVE DECISIONS**