



# Cabinet (Resources) Panel

## 14 April 2015

<b>Report title</b>	Delivery of the Affordable Warmth Grant using the Surefire framework	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Peter Bilson Economic Regeneration and Prosperity	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Nick Edwards, Service Director, City Assets	
<b>Originating service</b>	Housing	
<b>Accountable employee(s)</b>	Mandy Findlay	Housing Improvement Officer
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<b>Report to be/has been considered by</b>	N/A	

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### Recommendation(s) for action or decision:

The Cabinet (Resources) Panel is recommended:

1. Approve the use of Walsall Housing Group's (WHG) Surefire Framework to deliver Wolverhampton City Council's Affordable Warmth Grant Housing Assistance programmes.
2. To approve the call off under the Surefire Framework in order to enable Wolverhampton City Council to enter into an Authorised Agreement with WHG and British Gas together with any other underlying contracts as part of the Affordable Warmth Grant Housing Assistance.
3. To delegate authority to the Cabinet member with lead responsibility for Economic Regeneration and Prosperity, the Strategic Director Place and the Director of Governance to approve the contractual terms of the Authorised Agreement with WHG

and British Gas and any other underlying contracts as part of the Affordable Warmth Grant Housing Assistance.

## **1.0 Purpose**

- 1.1 The purpose of this report is to request that Cabinet (Resources) Panel approves the use of the Surefire framework to install energy efficiency measures into vulnerable households across the City under the Council's Affordable Warmth Housing Assistance programmes.

## **2.0 Background**

- 2.1 Wolverhampton's Affordable Warmth Assistance provides energy efficiency measures for private sector households on a low income and at risk of chronic cold/damp related illnesses. The current criteria, was approved by Cabinet at its meeting of 10 April 2013.
- 2.2 The assistance is in the form of a non-repayable grant and enables the provision of appropriate heating and insulation works by an approved contractor to a grant maximum of £5000. Only 1 grant per property is allowed and the approximate average grant is £2700. There is currently an annual capital budget of £500,000. There is the demand to deliver approximately 200 grants per year, City wide.
- 2.3 The programme is delivered directly through the council's Housing Service.
- 2.4 There are currently 18,316 fuel poor households across the city (*DECC 2012 figures based on the Low Income/High Cost definition*) and approximately 200 excess winter deaths per year (*Public Health Framework*). Delivering the affordable warmth grant assists in reducing these figures.

## **3.0 Current Position**

- 3.1 At present, the service is delivered through a local contractor, Domestic Gas Services. As these arrangements expired on 31<sup>st</sup> March 2015, the Council has currently temporarily suspended the processing of new applications pending the approval of the Surefire framework.

## **4.0 Proposed Contract**

- 4.1 Due to the expiry of the existing arrangements as outlined in section 3 above, the Council is required to have in place a fit for purpose and properly procured delivery service in place in order to recommence delivery of the scheme. Options included an OJEU compliant procurement process to select a new delivery partner, or to utilise a joint framework agreement with other organisations.
- 4.2 The Council worked with other West Midlands housing authorities and housing providers to facilitate a regional delivery framework for domestic energy efficiency. Although the work reached quite an advanced state, uncertainty in national programmes for energy efficiency meant that such a framework was not achievable.

- 4.3 The local registered housing provider WHG (Walsall Housing Group), which was part of the consortium referred to in paragraph 4.2 above, decided to procure its own framework to deliver energy efficiency services. The procurement of the framework was undertaken through an OJEU compliant tendering exercise in 2012. Wolverhampton City Council (along with other partners across the West Midlands) is specifically referred to as a contracting authority in the OJEU notice and the contract award notice, which enables the Council to make use of the framework to deliver energy efficiency measures and programmes including installing energy efficiency measures to private sector households on an individual basis. The framework expires in 2022.
- 4.4 The framework is named “Surefire” with the contract being awarded to British Gas as the single approved supplier.
- 4.5 To make use of the Surefire framework, the Council needs to contract with WHG. The proposed contract between the Council and WHG will run from May 2015 – March 2017, with the option to extend for a further year if both parties are agreeable.
- 4.6 In order to cover some of the costs associated with the use of the framework, a fee of £25 per grant is payable to WHG by British Gas.
- 4.7 The framework has been slightly amended to ensure that the council is able to pay British Gas directly for works completed on individual private sector households.

## **5.0 Financial implications**

- 5.1 The approved Housing Capital Programme has a budget of £500,000 per annum from 2014/15 to 2016/17 to fund the Capital Provision for the Affordable Warmth programme of the Private Sector Housing Assistance programme. The proposed delivery arrangements and scheme programme can be delivered within this capital allocation.
- 5.2 A value for money exercise has been carried out to compare the Surefire framework prices with the previous contract prices. A variety of installation and property types have been compared, including full/part central heating systems, boiler replacement and most house types. The framework was found to be an average of 16% cheaper on previous prices including the £25 fee. This represents an indicative annual saving of £80,000, which should enable up to 30 additional households to receive assistance.  
[CF/24032015/K]

## **6.0 Legal implications**

- 6.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 confers powers on local housing authorities to improve living conditions in their area by providing direct or indirect assistance. The assistance can be given for a range of matters including repairing living accommodation, the adaptation or improvement of living accommodation. The assistance may be provided in any form i.e. grant or loan which may be unconditional or subject to conditions.

- 6.2 A local housing authority may not exercise the powers under The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 unless it has an adopted policy for the provision of assistance and the power is exercised in accordance with that policy. It is understood that the recommendations within this report are consistent with Wolverhampton City Council's Housing Assistance policy and its strategic objectives.
- 6.3 As detailed in the report, WHG carried a tender process in relation to the Surefire Framework on behalf of itself and a number of contracting authorities. Wolverhampton City Council is specifically referred to as a contracting authority in the OJEU notice and the contract award notice that procures the works of British Gas Trading Limited. The scope of the Surefire Framework is sufficient to enable Wolverhampton City Council to enter into an Authorising Agreement with Walsall Housing Group and British Gas Trading Limited and any other underlying contracts for the delivery of the Affordable Warmth Programme.
- 6.4 Procurement and Legal Services have been involved in providing legal advice in respect of the use of the Surefire Framework and call off during the period of the framework. Legal Service will continue to provide advice to ensure that the final contractual terms are fit for purpose.  
[JA/23032015/H]

## **7.0 Equalities implications**

- 7.1 Equalities implications have been considered throughout the process and in assessing the outcome. The affordable warmth grant is targeted at low income households. The beneficiaries of this scheme will include, but not be restricted to, residents living within areas of multiple deprivation. All successful applicants will be living in fuel poverty and suffering chronic ill health.

## **8.0 Environmental implications**

- 8.1 The affordable warmth grant supports the reduction of CO<sub>2</sub> emissions. At a national level this is in support of the Climate Change Act, 2008 and the government's Carbon Plan. At a local level this supports the Climate Local initiative, to which the council has become a signatory, the council's current Climate Change Strategy and its emerging Sustainability Strategy & Implementation Plan.

## **9.0 Corporate landlord implications**

- 9.1 All properties are within the private housing sector, therefore there are no Corporate Landlord implications.

## **10.0 Schedule of background papers**

- Report to Cabinet 10 April 2013 Revisions to the Housing Assistance Policy
- Surefire Framework Agreement
- WHG Authorising Agreement