

Record of officer decision

Decision title:	Officer approval to sign access agreement for Midlands Energy Hub Dynamic Purchasing System (MEH DPS) in order to access pre-qualified suppliers and run tender exercise for Green Homes Grant Local Authority Delivery (GHG LAD) phase 2 project
Date of decision:	3 September 2021
Decision maker:	Assistant Director for Regulation, Environment & Waste Services
Authority for delegated decision:	The authority is for the specified officer to take this decision as per the following decision notice dated 16 June 2021: http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50037589
Ward:	Countywide
Consultation:	The project proposal and decision has been consulted on in conjunction with the Cabinet Member for Housing, Regulatory Services and Community Safety.
Decision made:	Approve award of Warm Homes Fund project installer contracts to E.On Energy Installation Services Ltd. via the signing of a Seal Authority form by the Assistant Director for Regulation, Environment & Waste Services
Reasons for decision:	<p>E.On were awarded the original works via direct award through the Fusion 21 framework in November 2019. The project, to install replacement gas heating systems at Fayre Oaks Home Park, uses external private funding from the Warm Homes Fund to target property types at particular risk of causing fuel poverty i.e. park homes.</p> <p>The contract was awarded directly to allow for an end-to-end (turn-key) solution as permitted by the council's contract procedure rules (CPR's). This was due to the requirement of the provider for an end-to-end solution for meter installations through to heating system commissioning and handover. E.on was deemed the only suitable supplier on the Fusion 21 procurement framework due to their scope of services matching with this requirement, thus providing greater efficiency and continuity of supplier.</p> <p>The current contract automatically lapsed on 30 November 2020 so that the extension clause within the contract cannot be enacted. This contract date was originally put in place to dovetail with the recipient (funding) agreement with Affordable Warmth Solutions CIC who administer the Warm Homes Fund.</p> <p>To date, 63 installations have been completed, with a further 60 targeted to be completed by project end (31 May 2021) when the funding will be withdrawn.</p> <p>A waiver of standing orders, accompanying this document has been</p>

	<p>obtained through the relevant approvals to grant this contract via seal approval.</p> <p>Warm Homes Fund projects seek to alleviate fuel poverty for eligible residents in the county via the installation of more efficient and economic heating systems;</p> <p>Fuel Poverty affects around 10,862 households in the county (12.9%). This figure is higher than the national level and reflects the challenges that the county faces in relation to the energy efficiency of properties including a large proportion of older, hard to treat properties and restricted access to mains gas due to the rural nature of the county</p> <p>Decreasing fuel poverty can be linked to increasing housing standards as well as health and wellbeing. –</p> <p>Housing also accounts for around a quarter of the County’s carbon dioxide emissions and therefore by helping to improve the energy efficiency of heating systems in properties, the Warm Homes Fund projects will contribute to climate change reduction targets.</p>
Highlight any associated risks/finance/legal/equality considerations:	<p>The Cabinet member housing, regulatory services and community safety has been given delegated authority from Cabinet in exercise of its functions under Part 3 Section 3 of the constitution to approve the council’s participation in the project and authorises the Assistant Director for Regulation, Environment and Waste services to approve operational decisions necessary in enabling the project.</p> <p>The decision to bid for these grants was taken by before the changes to the council’s finance procedure rules.</p> <p>The council is responsible for administering the funding and has entered into the Affordable Warmth Solutions Recipient Agreements for the project, this agreement was originally in place until 30 November 2020, however, it has now been extended to 31 May 2021 in light of delivery issues due to the pandemic.</p> <p>The value of the contract is as per the original procurement- £277,196 to account for the outstanding activity required to deliver the project. This will remain in place while funding is still available.</p> <p>The new contract to be entered into with E.on will be on the same terms as the lapsed contract (via the Fusion 21 Framework), save as to contract value and termination date.</p> <p>Funding will be paid to the supplier up to a maximum average agreed rate of £3,314 per install</p> <p>E.On are only paid the actual cost per installation as per the Warm Homes fund recipient agreement. This funding will potentially be at risk if targets, as also set out in the signed Warm Homes Fund recipient agreement with Affordable Warmth Solutions CIC who administer the fund and corresponding Funding Use Report template are not realised to the required level.</p> <p>Currently the supplier is currently delivering an average install cost of</p>

	£2,969, which is below the funding level provided of £3,314 per home and thus represents good value for money.
Details of any alternative options considered and rejected:	N/A- the Council has agreed to deliver the projects in line with the funding recipient agreements from Affordable Warmth Solutions, who administer the Warm Homes Fund and therefore requires installation partners to help deliver first time and replacement heating systems to households across Herefordshire and Shropshire.
Details of any declarations of interest made:	N/A

Signed

Assistant Director for Regulation, Environment & Waste Services

Date: 3 September 2021