

Report for: Cabinet

Date of Meeting:	21 October 2021
Subject:	Green Homes Grant Scheme – request to utilise grant funding for Phase 2 and future phases
Key Decision:	Yes
Responsible Officer:	Julian Higson - Divisional Director of Housing
Portfolio Holders:	Councillor Philip O'Dell - Portfolio Holder for Housing; Councillor Natasha Proctor - Portfolio Holder for Finance & Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

In January 2021 Cabinet approved Harrow's involvement in the Green Homes Grant Local Authority Delivery Scheme Phase 1a. Following a successful consortium bid for Green Homes Grant Phase 2, this report asks Cabinet for authority to approve the continued collaboration by Harrow Council with the consortium partners in order to access the additional grant funding and enable further retrofit works to be carried out to homes within the Borough.

Cabinet is requested to:

- 1.1 Approve the collaboration with the lead Borough Ealing in order to utilise the funding awarded under the GHG:LAD Phase 2 and any further phases to the West London consortium of 12 boroughs. This enables retrofit solutions works to be delivered via an appointed managing agent procured by the lead Borough.

An indicative allocation, based on population and fuel poverty figures, of £10.788 million was awarded to the West London Consortium. Harrow's indicative allocation for Phase 2 is £750,000 based on this formula. This would fund the retrofitting of at least a further 75 properties in addition to the anticipated 58 in Phase 1a.

- 1.2 Delegate authority to the Corporate Director Community, following consultation with the Portfolio Holders for Housing and Finance & Resources and the Director of Finance to:
 - a. Approve the contribution of £75,000 from the HRA under Phase 2 which requires the Council to match fund one third of the Green Homes Grant of £150,000 for the installation of energy efficiency measures to council owned properties.
 - b. Seek and secure future funding including Phase 3 of the Green Homes Grant Local Authority Delivery Scheme, Sustainable Warmth Competition, and/or Home Upgrade Grant following, following a West London Consortium competitive procurement process or other compliant procurement process, to take all necessary actions to utilise such funding and carry out further retrofit works to homes in the Borough.

Reason: (for recommendations)

The delivery of retrofit activity under the scheme will enable the Council to: -

- Address the Climate Emergency that Harrow Council has declared by undertaking domestic retrofit measures in the borough.
- Target not only Harrow's poorest energy performing stock but also those households in greatest need

- helping to reduce fuel poverty.
- Contribute to helping the local Harrow economy by providing opportunities for local training within colleges and employment opportunities, via agreed social value contribution/ commitments.
 - Improve the energy efficiency of private properties and social housing, supported by grant funding and £75,000 Harrow HRA funding.

Due to the estimated value of the proposed contract award, we require Cabinet authorisation to comply with the Council's Contract Procedure rules and to enable us to utilise this grant funding.

Section 2 – Report

Introduction

- 2.1 In January 2021 Cabinet approved Harrow's participation in the Ealing led West London consortium to deliver vital carbon reducing and fuel poverty improvements through the Government's Green Homes Grant (GHG) Local Authority Delivery (LAD) scheme Phase 1a.
- 2.2 The GHG LAD scheme sets out to improve the worst-quality homes in England by installing Eligible Measures and the initial LAD scheme (tranche 1a), aims to provide up to £200m to Local Authorities to deliver the Eligible Measures in Eligible Households.
- 2.3 The primary purpose of the GHG LAD Phase 1a was to raise the energy efficiency rating of low income (under £30,000 household income) and low EPC rated households (those with E, F or G ratings). Phase 2 has widened the scope and now includes EPC rated D properties. Harrow has also included the option in Phase 2 of including the retrofit of 30 Council properties.
- 2.4 Landlord grants (for both private and social rented accommodation) are capped at £5,000 and for owner occupied properties an 'average of £10,000' can be utilised from the GHG: LAD. An allocation of up to £300 per property for enabling works has been factored in which may include surveys, to ensure that all properties are ready for install, and there will be some capacity to 'average' this if needed, as some properties may not require any enabling works. Some boroughs will offer top up funding to ensure that as much funding as possible is utilised across their stock. However, Harrow do not have the necessary budget to enable this for privately owned properties, and works will be carried out entirely from the capital grant support provided directly from Ealing Council. The Council should note that carbon reduction work in Harrow's private sector stock is a growing area of work and we will be submitting a business case for a part time resource to support delivery in this area.

2.5 This is expected to result in the following outcomes:

- a. **Tackle fuel poverty** by increasing low-income household's energy efficiency rating and therefore reducing their energy bills.
- b. **Support clean growth** and ensure homes are thermally comfortable, efficient, and well-adapted to climate change.
- c. **Support economic resilience and a green recovery** in response to the economic impacts of Covid-19, creating thousands of jobs; and
- d. **Use learnings from the delivery experience** to inform the development and design of further energy efficiency and heat schemes.
- e. **Reduce carbon emissions** from homes within our boroughs, directly contributing to addressing the declared climate emergency.

Partners include:

- London Borough of Harrow;
- London Borough of Hammersmith & Fulham;
- London Borough of Brent;
- London Borough of Hounslow;
- London Borough of Lambeth;
- Royal Borough of Kensington & Chelsea
and for Phase 2 the additional Boroughs that have joined for this phase are:-
- London Borough of Hillingdon
- London Borough of Newham
- London Borough of Barnet

2.6 Ealing Council led a successful seven-borough partnership bid for grant funding for the Green Homes Grant: Local Authority Delivery Scheme Phase 1a (as it is now known), focusing on delivering private-sector energy efficiency retrofits, through a centralised delivery agent. The full grant award is £4.78m from the Department for Business, Energy and Industrial Strategy (BEIS), with the intent to be shared equally amongst the partnership boroughs. This award was agreed by Cabinet in January 2021.

2.7 The OJEU competitive tender process completed to secure a delivery partner for Phase 1a included information to bidders in anticipation of programme expansion, should further funding be awarded to the partnership. The ITT described the project as having a potential total value of £19.283m to accommodate an expansion of the scheme into a phase 2.

2.8 The Secretary of State and Department of Business, Energy, and Industrial Strategy (BEIS) have now announced non-competitive funding allocations for each borough under Phase 2 of the scheme. Phase 2 delivery is proposed to be an expansion of the current delivery model, with the addition of five boroughs, now including: London Boroughs of

Barnet*¹, Brent, Hammersmith & Fulham, Harrow, Hillingdon*, Hounslow, Lambeth, Newham*, Richmond*, Wandsworth*, and The Royal Borough of Kensington & Chelsea. The Phase 2 GHG:LAD scheme is managed by the Greater South East Energy Hub (GSEEH) on behalf of BEIS.

- 2.9 The aim of Phase 2 is to deliver at least 1200 additional retrofits to fuel poor households in member borough boundaries (Phase 1a will deliver at least 400). The partnership will strive to spend each borough's indicative allocated funding on retrofit works within that borough; however, this will fluctuate widely due to resources available within each partner borough and finding sufficient volumes of housing typologies that lend themselves to retrofitting, i.e., flats and conservation properties are more challenging to retrofit. The terms of Phase 2 allow indicative allocations to be reallocated within consortiums at regular intervals to ensure that funding is used in full.
- 2.10 The delivery model maintains Ealing as the lead local authority for the consortium, responsible for project management and invoice payments. Ealing officer time, over a 39-week period is fully covered by the grant. All supporting services, such as Ealing's procurement, finance and legal fees attributable to the project will be recharged to the grant.
- 2.11 Back-to-back interborough agreements with each partner have been created to clarify responsibilities and tasks of each "member borough", including but not limited to data handling, communications and marketing and risk mitigation. The project board has agreed to create an addendum to this agreement for the five new partners in Phase 2.
- 2.12 A specialist construction project manager and supervisor have been contracted by Ealing to manage the construction and quality assurance elements of the programme under Phase 1a and will be retained for those aspects of Phase 2 which are not covered by the Managing Agent scope. The grant covers the full salary of these fixed-term project delivery positions for Phase 2. Additional quality assurance and project management support is offered by the GSEEH and will be used to the full extent possible to reduce administrative costs.
- 2.13 The consortium has bid under Phase 3 of the Green Homes Grant: Local Authority Delivery scheme. This will run concurrently the Home Upgrade Grant (HUG) scheme and initial indications from BEIS are that the joint GHG:LAD/HUG scheme will extend into fiscal year 2022/23.

3. Options considered

- 3.1 Options were considered as to how best to approach the submission and the options were: -

(a). Individual bid application for Harrow.

Consideration was given to submitting an individual bid for Harrow, but it was agreed that it would be a more efficient approach to collaborate with other Boroughs to submit a joint bid.

(b). Submitting a joint consortium bid

¹ * indicates new partners to Phase 2

This was the preferred option as there was much to be gained by teaming with our neighbouring Boroughs. This would mean that consortium Boroughs can share technical expertise, provide a joint voice to Government and get improved economies of scale.

With relevant staff already in post, and previous bid experience and success there was a more experienced resource to address issues and expertly collate all requirements in relation to the bid. The West London Consortium from recent BEIS figures is one of the best performing and as the tables in the report below show Harrow has particularly benefitted well.

(c). Do nothing

This was not an option as the Council has declared a Climate Emergency and wishes to reduce fuel poverty within the Borough. To do this the Council has to actively participate in applying for and winning bids. We will be able to access more funding for this particular type of work going forward.

- 3.2 Options were also considered as to how to best to approach the award/ utilisation of relevant grant funding and the options were: -

(a). To utilise the funding

It was agreed that if Harrow were to be awarded funding that we would seek Cabinet approval to draw down and utilise the apportioned amount attributed to Harrow. Cabinet approved this for Phase 1a and we are now seeking approval to utilise Phase 2 funding and delegated authority to take any necessary action to utilise any subsequent phases of the Green Homes Grant: Local Authority Delivery Scheme, Sustainable Warmth Competition, and/or Home Upgrade Grant following a competitive procurement process that Ealing Council will lead on if successful.

(b). To not utilise the funding

This was not an option.

The Council has declared a Climate Emergency and want to actively participate in applying for and winning bids to provide the additional financial resources to undertake retrofit activity. This will also mean we are better able to access more funding for this particular type of work going forward.

4. Current situation

- 4.1 Ealing Council led a successful seven-borough partnership bid for grant funding for the Green Homes Grant: Local Authority Delivery Scheme Phase 1a, focusing on delivering private-sector energy efficiency retrofits, through a centralised delivery agent. The full grant award was £4.78m from the Department for Business, Energy and Industrial Strategy (BEIS), with the intent to be shared equally amongst the Consortium Boroughs.
- 4.2 The OJEU competitive tender process completed to secure a delivery partner for Phase 1a included information to bidders in anticipation of

programme expansion, should further funding be awarded to the partnership. The ITT described the project as having a potential total value of £19.283m.

4.3 Phase 1a Progress

There were several challenges in setting the scheme up. These were caused by the demanding timescales to procure a contractor and the delivery network, target the scheme to those who may potentially benefit and then marketing the scheme. The Government did recognise some of these challenges and has extended the timeframes for delivery. The scheme has now gained good momentum but it is a timely and complex process. Approvals generate workplans that the resident agrees. This moves to onsite works depends on final customer approval of the works.

- 4.4 In figures BEIS have released about Phase 1a show that the West London consortium is one of the best performing in the country. Both in terms of referrals into the program and measures delivered. While there is a potential underspend for West London the scheme is expected to be extended until the end of November. The Table below from the end of August Programme Report highlights that Harrow is in a better position than many other Boroughs in terms of ‘approvals’ in the bank. If the application is extended until the end of November we will at least come close to our target of 58 properties. Further good news for Harrow is that we have also achieved the second highest average grant figures per property at £10,681 in the consortium.

LAD 1 ANTICIPATED SPEND SUMMARY			
BOROUGH	APPROVED	PENDING	TOTAL
Brent	£ 226,852	£ 63,117	£ 289,969
Ealing	£ 455,186	£ 101,751	£ 556,937
LBHF	£ 196,666	£ 79,740	£ 276,406
Harrow	£ 340,794	£ 61,046	£ 401,840
Hounslow	£ 301,578	£ 48,484	£ 350,062
RBKC	£ 15,459	£ 20,652	£ 36,111
Lambeth	£ 208,128	£ 27,200	£ 235,328
Total	£ 1,744,663	£ 401,990	£ 2,146,653

- 4.5 The use of the grant has focussed on an approach of fabric first (insulation and ventilation). This is seen as the first building block to achieving significant carbon reduction but also vitally reducing a resident’s energy bills. Measures include underfloor/suspended floor insulation, low energy lighting, heating controls, AIREX ventilation control systems; internal wall insulation; external wall insulation and solar thermal measures.
- 4.6 The Secretary of State and Department of Business, Energy, and Industrial Strategy (BEIS) announced non-competitive funding allocations for each borough under Phase 2 of the scheme. Phase 2 delivery is proposed to be an expansion of the current delivery model, with the addition of five boroughs, now including: London Boroughs of

Barnet*², Brent, Hammersmith & Fulham, Harrow, Hillingdon*, Hounslow, Lambeth, Newham*, Richmond*, Wandsworth*, and The Royal Borough of Kensington & Chelsea. The Phase 2 GHG:LAD scheme is managed by the Greater South East Energy Hub (GSEEH) on behalf of BEIS.

4.7 Phase 2 GHG LAD

The West London Consortium was unsuccessful in the phase 1b of GHG LAD. However, phase 2 was funding granted based on borough fuel poverty figures by BAIS through the energy hubs to the West London Consortium. Harrow's allocation here was £750,000. Phase 2 delivery is yet to start the table below (from the Programme Board Report 31st August 2021) shows initial approvals measured against BEIS funding. While these are not signed resident agreements, it does highlight that Harrow following Cabinet approval should achieve at least its BEIS indicative grant allocation (with approvals at £1.04m against an allocation of £750,000). This is partly due to properties rated EPC D being eligible for Phase 2 as this allows greater flexibility to apply the grant monies. At an average of £10k per grant it should mean that Harrow is able to improve at least a further 75 homes within the borough. The number of homes increases if landlords receive the £5k grant where they contribute at least one third. It also means that Harrow is in a good position should there be agreement to potentially recycle unspent funding to those Boroughs capable of delivering works to additional homes.

Within our original bid Harrow has the flexibility of including up to 30 HRA properties. As a landlord the Council would be entitled to £5k per property a total of £150k Green Homes Grant but contribute at least one third more to this, a further £75,000 from HRA funding. This would mean a total of £225,000. We would like to retain this flexibility to include HRA properties especially if more funding from Phase 2 is recycled from those boroughs who are unable to achieve delivery by the end of March.

1 * indicates new partners to Phase 2

	Total indicative allocation (£m)	Forecast based on initial approvals (£m)	Over/Under (£m)
Barnet	1.198	0.04	1.16
Brent	1.065	0.66	0.41
Ealing	1.107	0.81	0.31
Hammersmith & Fulham	0.624	0.46	0.16
Harrow	0.75	1.04	-0.29
Hillingdon	0.843	0.16	0.68
Hounslow	0.822	1.00	-0.18
Lambeth	1.038	0.76	0.28
Newham	1.151	0	1.151
Kensington & Chelsea	0.604	0.24	0.36
Richmond	0.595	0	0.595
Wandsworth	0.99	0	0.99
Totals	10.787	£5.16	

- 4.7 Ealing have confirmed that Warm Works have now signed their contract with the GSEEH/Energy Hub and are working on the call-off contract between Ealing and Warm Works. Further to that contract, Ealing are engaged with Groundwork, Gleeds, Everwarm, etc to ensure that all of the referral and project management processes stay in place from Phase 1 and that the Consortium are able to continue to seamlessly deliver.
- 4.8 Harrow will also sign a Memorandum of Understanding similar to that of Phase 1a.
- 4.9 Additionally, the Consortium will endeavour to work with existing local fuel poverty programmes, Age UK, Dementia Concern, Council/NHS services working with vulnerable groups, and community groups to identify eligible residents in need of energy efficiency measures, including those who were unable to participate in previous schemes, such as the Energy Company Obligation (ECO).
- 4.10 TrustMark/MCS certified installers will be used across the scheme, with an updated EPC issued upon completion of works. Homes with an existing EPC will be prioritised to save time and money at the beginning of the project.
- 4.11 Those unable to benefit from Phase 2 of the LAD will be assisted in applying for other programmes. These homes may also become eligible under the Consortium's Phase 3 grant application, should it be successful.

Submission for Phase 3 GHG LAD for additional grant – awaiting response from BEIS

- 4.12 Harrow will continue to work in partnership with the West London Consortium for Phase 3 of the GHG LAD. The Consortium has now entered a bid of £23,412,233 for LAD Phase 3 and the HUG (£13,075,000 and £7,283,464 in capital funding, respectively).
- 4.13 Harrow's indicative funding under this phase is £1,246,847. This is based on our fuel poverty figures of 13,014.
- 4.14 This bidding round encompasses 2 existing schemes:
- Local Authority Delivery Phase 3 (LAD3): a third phase of the Local Authority Delivery scheme with £200 million available. LAD3 has a refined scope to support low-income households heated by mains gas
 - Home Upgrade Grant Phase 1 (HUG1): £150 million for low-income households with homes off-gas grid through the HUG scheme.
- 4.15 The focus will be retained on upgrading the worst insulated owner occupier and private rented homes with energy efficiency installations and low carbon heating. Projects that upgrade homes with an Energy Performance Certificate (EPC) rating of E, F or G will be prioritised. Upgrades to properties with an EPC rating of D will be allowed but will be limited.
- 4.16 Low-income households who own their home can get upgrades fully funded within the relevant cost caps and do not have to contribute. Where a household is low-income and renting their home, the landlord must contribute at least a third of the total cost of upgrading the property within the relevant cost caps.
- 4.17 There are some social housing within the overall bidding numbers targeting off gas homes. However, including any potential Housing Associations this makes up just less than 10% of the overall number of eligible properties. Again, we are unlikely to require more that £75,000 from HRA resources should any council properties be improved via this route.
- 4.18 We expect to hear news of the bid towards the end of October/beginning of November if the consortium is successful with this bid.

5. Why a change is needed

- 5.1 Many local authorities including Harrow Council have declared Climate Emergencies, aiming to achieve carbon neutrality by 2030.

Whilst the declaration is only a first step in acknowledging the problem, assistance to create robust and deliverable action plans are starting to emerge, including the introduction of Green recovery schemes and

funding opportunities such as the Green Homes Grant from central government.

- 5.2 The SCATTER local authority emissions calculation tool, developed by Manchester and Nottingham in collaboration with research partners, estimates that in the London Borough of Harrow, around 58% of our direct emissions, 262,000 tonnes of CO2 equivalent per annum, are attributable to residential properties, primarily from their gas heating requirements. Energy retrofit measures such as improved building fabric insulation can significantly reduce these existing gas heating requirements. In addition, in many cases it is possible to replace the gas heating system completely via heat pump technology, which uses electricity to extract and intensify heat from the environment in order to provide space heating and hot water to the home.
- 5.3 This funding opportunity will enable a reduction in greenhouse gas emissions from some of the worst performing (in energy and emissions terms) housing stock in the Borough, whilst also helping to reduce energy costs for lower income residents.

6. Implications of the Recommendation

- 6.1 The recommendation path allows Harrow to work towards the Council's, London and Government targets for carbon reduction within the Borough. It also provides access via the lead authority to much needed funding if we are to achieve these targets.
- 6.2 The recommendation will also ensure a warmer more thermally efficient home for our residents and an improvement in EPC rating thus reducing carbon emissions and making savings for our residents.
- 6.3 With the addition of grant funding for the second phase we will be able to identify more homes that we are able to install relevant measures to, in order to provide thermal efficiency whilst reducing carbon emissions.
- 6.4 This recommendation will also provide much needed assistance to the local Harrow economy with opportunities for jobs and training as part of the Green Recovery.

7. Resources, costs /Staffing/workforce

- 7.1 An Ealing Project Management Officer will be required as part of the delivery process. The Climate Action and sustainability team at Ealing will be responsible for monitoring and delivering outcomes of the project; and costs associated with the Project Manager officer time have been funded by the grant.
- 7.2 Harrow has been resourcing its contribution to the West London Consortium through existing resource levels. However, as this is an expanding area of work for the Housing Department's Asset Management Team, we will be submitting a business case for some General Funded support. We do expect a proportion of this to be funded through more support for Consortium Borough's for project

administration. To this end the Phase 3 funding bid includes £16k for each Borough for project administration.

8. Ward Councillors' comments

- 8.1 The GHGLAD scheme can potentially deliver within any ward in the Borough. Therefore, no specific ward information has been sought. We will ensure that any Ward Councillor's comments are considered to inform the planning and delivery of the scheme.

9. Performance Issues

- 9.1 Clear considerations of what is expected from the Managing Agent have been set within the tender documents including the quality and workflow with the managing agent being responsible for managing the supply chain as well as any complaints arising or their supply chain.

The managing agent's contract will include provisions to cover the Councils in the event of contractor/sub-contractor poor performance.

- 9.2 Meetings will be held bi-monthly by Ealing Council and attended by partnering Boroughs as appropriate to identify any issues and discuss all related works for the upcoming weeks.

KPI's have been issued as part of the tender and monthly reporting to BEIS will inform whether these are being adhered to and will also inform on any corrective actions that need to be taken.

10. Environmental Implications

- 10.1 The utilisation of this grant will enable the Council to start to meaningfully reduce fuel poverty for households within the Borough which results in community wealth generation by reducing the overall impact of heating and fuel costs for residents.

- 10.2 Retrofitting of domestic properties with energy efficiency measures also contributes to a reduced gas heating requirement in those homes. The volume of directly produced greenhouse gas emissions occurring in the borough is consequently also reduced.

- 10.2 It is the intention that the delivery of any contract will contribute to the Council's objectives around social, economic and environmental sustainability.

The appointed Managing Agent will be requested to do all it can to ensure that it supports Harrow's economy by buying locally wherever practical and maximise opportunities for local people in employment and training.

11. Data Protection Implications

- 11.1 All personal data processed in connection with the contract will be carried out in full compliance with data protection laws including the Data Protection Act 2018 and GDPR.

12. Risk Management Implications

Risks included on corporate or directorate risk register? Yes

Separate risk register in place? Yes

The relevant risks contained in the register are attached/summarised below. Yes

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
<p>Inability to meet delivery timescales The funder requires all works to be completed by 31 March 2021</p>	<p>Work at pace to fulfil a compliant procurement process that produces the required delivery partner, who brings a robust supply chain that is committed to communication, quality and expediency. As stated above, it has been requested to extend project delivery timescales. This is already in discussion with BEIS. NB* this may be subject to Covid restrictions.</p>	Amber
<p>Bid response overwhelms capacity to award within timescales required to deliver bid outcomes An open procurement method is being utilised. There may be a high number of bids, which will add time required for evaluation and award.</p>	<p>The team at Ealing will mitigate this risk by setting aside adequate time to complete evaluations and ensure partner boroughs are involved in the process.</p>	Green
<p>Poor performance of managing agent or their supply chain The chosen delivery agent and their supply chain may not perform as expected</p>	<p>The managing agent's contract will include provisions to cover the Council in the event of contractor/sub-contractor poor performance. This will include cover for claims from third parties; loss or damage to works, plant, materials and equipment; loss or damage to client property; and death or injury of employees. Ealing will schedule regular meetings with the contract management resources as well as the broader consortium.</p>	Amber
<p>Poor management by lead Borough The lead may overcharge, may have poor data handling or project management.</p>	<p>The interborough agreement sets out the relationship between the lead borough and the participating boroughs. This is further mitigated by bi-weekly Programme Board Meetings, access to the lead boroughs SharePoint sites etc....</p>	Green
<p>Fraudulent claims made for installations The delivery agent may attempt to make claims for works that haven't happened, haven't been completed, or that took place prior to launch date of the scheme or grant not used as intended</p>	<p>The invitation to tender and the terms and conditions of the managing agent's contract will include clear and consistent information regarding eligibility, data collection and compliance. Regular paperwork checks by both the lead authority and partners will ensure any works put forward for funding include auditable documentation to establish compliance.</p>	Green
<p>Fraudulent conduct -grant beneficiary A household in receipt of grant carries out identity theft</p>	<p>Ensure a grant agreement, which confirms identity has not been misrepresented, has been signed by the homeowner before scheduling works. Final approval is</p>	Green

or falsely claims low-income status	not given until all checks on grant conditions such as income and EPC ratings have been carried out by Ealing.	
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Note: Risk implications must be signed off by Head of Internal Audit Susan Dixson/Risk Manager – Neale Burns

13. Procurement Implications

13.1 Ealing Council, were the lead authority and have completed a compliant procurement process in accordance with the Public Contract Regulations 2015 to secure a delivery partner and programme manager for both Phase 1 and 2.

Managing agents and EPCs

13.2 A managing agent has been appointed who will undertake EPCs on properties and arrange and have responsibility for the works completed at the eligible homes. The managing agent will either deliver the Works themselves or through their supply chain.

Where the managing agent uses a supply chain, and they will be encouraged to use local SMEs to undertake the Works in each Borough (provided they hold the TrustMark/MCS certification).

Value For Money

13.3 The grant application proposes a competitive tender process for a delivery agent to manage the programme on behalf of the seven Boroughs. The tender will call for costs related to the management of the programme and guaranteed maximum pricing for specific energy efficiency measures. These will be compared across bidders on a like for like basis, with award based on a mix of quality and cost.

13.4 The tender also seeks to delivers opportunities for local businesses to take on additional work in the partner Boroughs and set foundations for new employment opportunities over the longer term.

13.5 **The threshold that has been set are: -
Price 40%
Quality 60% of which Social Value = 15%**

14. Legal Implications

Set out detailed legal implications of the proposed decision.

14.1 Harrow Council, along with the other Consortium Boroughs has the requisite power to enter into the proposed Memorandum of Understanding (MoU) in order to be a participant in and benefit from the Green Homes Grant Scheme.

- 14.2 Section 111(1) of the Local Government Act 1972 gives a local authority the power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. This will include doing anything that, in its opinion, is in the interests of, and will bring direct benefit to, its area or any part of it or all or some of its residents.
- 14.3 In addition to this, section 1 (1) of the Localism Act 2011 gives local authorities general power to do anything individuals may do unless it is specifically prohibited in legislation.
- 14.4 Procurement of the partner's delivery agent's contract by Ealing Council on behalf of Harrow and the other Consortium Boroughs will be in accordance with the Public Contract Regulations 2015 and Ealing Council's Contract Procedure Rules as appropriate.
- 14.5 Ealing Council will enter into the contract with the delivery agent and will direct the delivery agent to carry out works on the properties as identified by the Consortium Boroughs.
- 14.6 All the Consortium Boroughs will enter into a Memorandum of Understanding requiring them to certify the works undertaken before any payment is made by Ealing and the MoU will contain indemnities requiring them to comply with the Green Homes Grant Scheme conditions

15. Financial Implications

- 15.1 The Authority was part of a successful consortium bid to BCIS for Green Homes Funding with London Borough of Ealing as the consortium lead.
- 15.2 Phase 2 will permit Harrow Council to recommend properties for works to meet Government Green Energy targets. The indicative value of works for financial year 2021/22 is £750,000 and must be spent by 31st March 2022. The works will be paid for directly by Ealing Council. However, if Harrow brings forward 30 Council properties into Phase 2 then we will contribute up to £75,000 for works from the HRA. There is currently capacity within the HRA to accommodate this request and will be met from the budget for carbon reduction projects in 2021/22.
- 15.3 Phase 3 is currently in the submission phase and approval from Cabinet is being asked for delegated authority to the Corporate Director of Communities to proceed with this and other phases if successful. Should any council properties be improved via this funding route again we are unlikely to require more than £75,000 HRA resources from our retrofitting budget.

- 15.4 This area of work is currently being managed within current staffing resources. However, as retrofitting through the GHG LAD has become a growing area of work the Asset Management Team will present a business case for General Fund to support the local administration of scheme(s).

16. Equalities implications / Public Sector Equality Duty

- 16.1 The contract specification has been clear on the equalities related duties on contractors, given the wide range of needs of Council residents. The procurement exercise has been designed to deliver existing policies and strategies maintaining the current level of equality in service provision.
- 16.2 An Equality Impact Assessment has been prepared by Ealing Council specifically, for the procurement exercise. This identified no need for a full assessment at this stage because it did not identify any potential for unlawful conduct or disproportionate impact. All opportunities to address diversity-particularly vulnerability for all tenants and will be addressed through the contract specification and ensure residents receive the same service regardless of but taking into account specific needs.

17. Council Priorities

Please see below how the decision sought delivers the Council's priorities.

1. Improving the environment and addressing climate change

The retrofits will bring homes to a comfortable home standard, eliminate damp and mould. Energy efficiency upgrades will reduce carbon emissions and save residents money, making homes more affordable to comfortably operate.

2. Tackling poverty and inequality /Addressing health and social care inequality

Eliminating fuel poverty for households results in community wealth generation by reducing the overall impact of heating and fuel costs for residents, as well as draughts, reducing negative impacts on health, hospital admissions, and length of stay. There is a direct correlation between fuel poverty and health, as evidenced by the recent COVID-19 outbreak, which was felt most severely by communities known to have higher fuel poverty rates.

3. Thriving economy

There is potential for job creation in the Borough bringing skilled job opportunities, as well as apprenticeships for those looking to upskill or move into the green economy.

The consortium lead Borough has liaised closely with the West London Alliance Recovery work, including aligning opportunities with the West London Business skills academies that are soon to be launched.

Due to the pace of delivery required by this grant, as well as the simultaneous publication of other similar grants aimed at other audiences (i.e., able to pay households and commercial), it is expected the sector will need to grow quickly to satisfy demand for energy efficiency retrofits.

Section 3 - Statutory Officer Clearance

Statutory Officer: Tasleem Kazmi

Signed on behalf of the Chief Financial Officer

Date: 11th October 2021

Statutory Officer: Sarah Inverary

Signed on behalf of the Monitoring Officer

Date: 11th October 2021

Statutory Officer: Nimesh Mehta

Signed by the Head of Procurement

Date: 11th October 2021

Statutory Officer: Dipti Patel

Signed by the Corporate Director

Date: 11th October 2021

Statutory Officer: Susan Dixon

Signed by the Head of Internal Audit

Date: 11th October 2021

Mandatory Checks

Ward Councillors notified: YES, as it impacts on all Wards

EqIA carried out: YES

EqIA cleared by: Ealing (as they are the lead borough)

Section 4 - Contact Details and Background Papers

Harrow Contact: Andrew Champion, Head of Asset Management

0208 424 1339, Andrew.Campion@harrow.gov.uk

Consortium Contact: Tania Jennings (Ealing Council Lead)

Background Papers:

Call-in waived by the Chair of Overview and Scrutiny Committee

NO