

DERBYSHIRE COUNTY COUNCIL

CABINET

11 OCTOBER 2016

Report of the Strategic Director Corporate Resources

**USE OF RENEWED EFFICIENCY EAST MIDLANDS (EEM) HEATING AND
INSULATION FRAMEWORK**

(Council Services)

1. Purpose of the Report

To seek approval under Protocol 2 of the Council's Financial Regulations to use the Efficiency East Midlands (EEM) Heating and Hot Water Systems (EEM0026) framework.

2. Information and Analysis

The Council is a member of, and hosts, the Nottinghamshire and Derbyshire Local Authorities' Energy Partnership (LAEP) which comprises all local authorities across the two counties. The LAEP is externally funded and works to reduce fuel poverty and improve domestic energy efficiency for local residents.

The LAEP is currently delivering the 'Derbyshire Healthy Home Project' across Derbyshire on behalf of the Council's Public Health department, who currently provide funding for staff costs.

The project works with GP practices and other trusted partners to identify and assist residents with a cold-sensitive, long term health condition who are in fuel poverty. If they cannot afford to keep their homes warm in winter, their health is put at further risk and they are more likely to be admitted to hospital and incur high costs to the NHS and/or Adult Care.

These residents typically have minimal savings or are in debt, are ineligible for grant funding and therefore have no means to replace or repair inefficient or broken heating systems. The project installs new heating systems and insulation for these residents, at no cost to them.

During 2015, the LAEP bid for grant funding for these works from National Energy Action (NEA) as part of a national competition.

It was a requirement of the NEA's grant submission procedure for bidders to have contractors in place to carry out the required heating and insulation work prior to the submission of the fund application. Due to the tight time constraints, the LAEP sought to procure heating and insulation contractors from an external framework established by EEM, a not for profit public sector organisation. EEM complies with all relevant procurement rules to identify best value contractors on behalf of the LAEP and its member authorities.

In October 2015, the Council resolved to approve the use of Efficiency East Midlands (EEM) Heating and Hot Water Systems (EEM0026) framework in accordance with Protocol 2 of the Council's Financial Regulations for a period of 4 years.

In December 2015, the LAEP reported to the Council that it had successfully secured £325k from NEA, one of only 10 projects in England to do so.

The LAEP has been very satisfied with EEM procured contractors over the last year and has to date receipted spend of approximately £87k against the NEA budget code in total. If current rates continue, a further spend of over the OJEU threshold of £164,176 may be required in the next phase of the project.

EEM has recently renewed its framework, and LAEP wishes to take advantage of the improved opportunities this will offer in terms of best value and choice of contractors. The framework will accommodate some additional requirements, including the need for Energy Performance Certificates and the provision of small works to enable major heating installations to progress, including minor electrical, plumbing, building and insulation works. These were not included in the previous EEM framework.

The LAEP now wishes to instruct EEM to run a 'mini-competition' to identify best value contractors for the LAEP's project. EEM will put out a tender to framework contractors, detailing this project's requirements/specifications and will present the results to the LAEP.

3. Financial Considerations

The budget for this requirement will be met from external grant funding, as outlined in section 2.

4. Legal Considerations

EEM has procured an OJEU compliant framework, which the LAEP wishes to use in accordance with Protocol 2 of the Council's Financial Regulations.

5. Social Value Considerations

The procurement framework was let on 12th September 2016; all terms are pre-set so the social values cannot be influenced at the current time. Over 250 vulnerable households in Derbyshire have already benefited from the Healthy Home project, receiving a bespoke combination of assistance to help them keep warm and well at home, including new boilers, heating systems and insulation at no cost to the householders. The heating and insulation contractors procured from the EEM framework, have delivered a high quality, good value service which has enabled the project to assist more households than originally envisaged.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered; prevention of crime and disorder, equality and diversity, human resources, environmental, health and transport considerations.

7. Key Decision **NO**

8. Call-in

Is it required that call-in be waived for any decision on this report? **NO**

9. Background Papers

Cabinet Member Meeting for Council Services 14 December 2015; Report of the Strategic Director Corporate Resources – Acceptance of Grant Award.

Cabinet Member Meeting for Council Services 12 October 2015;
Report of the Strategic Director Corporate Resources - Use of Efficiency East Midlands Heating and Insulation Framework.

10. Officer's Recommendation

That Cabinet:

10.1 Approves the award of a framework contract using the EEM's renewed

Heating and Hot Water systems framework for a period of 4 years from 2016 to 2020.

JUDITH GREENHALGH
Strategic Director Corporate Resources