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| <b>Report to:</b> | Cabinet                               | <b>Date:</b> |
| <b>Subject:</b>   | Housing Major Works Programme 2025/26 |              |
| <b>Report of</b>  | Cabinet Member for Housing Services   |              |

## 1.0 Summary

- 1.1 At the Cabinet meeting on 12<sup>th</sup> February 2025 Cabinet agreed the Housing Revenue Account Capital Works Programme budget for 2025/26.
- 1.2 The purpose of this report is to seek formal approval of a number of contract awards, contract extensions and a budget approval which form part of the Housing Major Works Programme.
- 1.3 The procurement approach on the tenders and contract extensions included in this report has been developed in conjunction with Bury Council's Procurement Team.
- 1.4 Overall, our tender evaluations for the Huntley Massey Kitchen and Bathroom programme and the Energy Efficiency Works Programme are scored on the basis of 60% Price, 30% Quality (site delivery, tenant engagement, health & safety etc.) and 10% Social Value.

## 2.0 Recommendations

1. Approve contract award to Emmanuel Whittaker Ltd for renewal of kitchen & bathrooms to be carried out to Council properties on the Huntley/Massey Estates in Bury for 1 year for the value of £1,153,828.15
2. Approve the expenditure of £750,000 for additional kitchens and bathrooms to various Council properties across the rest of the Borough.
3. Approve the following contracts for energy efficiency and/or renewable energy works to Council properties on three estates:
  - Chesham Estate (completes existing scheme) to A. Connolly. Value: £1,443,506.87
  - Freetown & Stanley Close to Eco Approach. Value: £1,980,743.50
  - Hollinhurst to Live Manage Facilitate. Value £1,646,189.85
4. Approve a contract extension to existing EPC Contract with GGI, to extend work across 3 estates in Prestwich, Tottington & Whitefield, value £1,000,000.00

## **3.0 Background**

### **Decent Homes**

- 3.1 A key regulatory requirement for housing is to ensure all Bury Council homes are maintained, as a minimum, at the Decent Home Standard. A key expectation of the Regulator for Social Housing is that all our homes are 'of good quality, well maintained and safe homes for tenants' and comply with the decent homes standard'.

### **Huntley/Massey Estates**

- 3.2 To maintain our homes at this standard we seek approval to enter into a building contract for renewal of kitchen & bathrooms to be carried out to Council properties on the Huntley/Massey Estates in Bury.
- 3.3 After consultation with Bury Council's Procurement Team the contract was tendered through Procure Plus framework mini competition. This involved a scoring of contractor submissions based 60% on Price, 30% Quality and 10% on Social Value.
- 3.4 We recommend awarding of the contract to Emanuel Whittaker Ltd for a contract value of £1,153,828.15. The contract is for the initial period of one year with the option to extend for a further 12 months should additional work be identified. If an extension is required, this will be brought back to cabinet with the contract value.
- 3.5 All contract procurements have been advised and overseen by Bury Procurement.

### **Various aged kitchens & bathrooms across Bury**

- 3.6 During preparation of tenders we identified an omission in the February 2025 HRA Capital Budget. Provision for ad hoc kitchen and bathroom replacements across the Borough had not been made.
- 3.7 In order to bring forward these works it is recommended approval of an additional Budget provision for kitchens & bathrooms of £750,000.00.
- 3.8 This approval will address an oversight in the February budget. Savings from other budget headings will provide the headroom and there will no overall increase in the HRA capital budget.

### **Energy Projects**

- 3.9 Bury Council Housing Services has gained a positive reputation across Greater Manchester for its work on energy efficiency. In addition to written recognition for our work from the GMCA, a key grant funding body, we won an award and received two highly commended in the NW Regional Energy Efficiency Awards

- 3.10 Improving the EPC rating of council Homes from EPC D or below to a level of EPC rating C or above reduces the carbon footprint of the housing stock and improves tenants' homes and lives through more comfortable heated homes and reduction in energy costs.
- 3.11 We aim to continue this work with the following projects. All contract procurements have been advised on by Bury Council Procurement.

### **Energy Procurement**

- 3.12 Energy performance of domestic properties is measured through Energy Performance Certificates (EPC). Properties are rated on a scale of A to G. An A rating the best and G least efficient. The national target is for all properties to be a minimum EPC C by 2035. Greater Manchester has a more ambitious target for 2030. Latest data shows that 3,227 Council properties, approximately 42% of our stock, are EPC D or below and do not meet the national EPC targets.
- 3.13 The proposed contracts improve thermal aspects of 305 properties by taking a retrofit PAS 2035 standard and "fabric first" approach to improve the thermal comfort of homes. The proposed work will ensure homes reach a minimum of EPC C and meet net zero targets. These works will also improve indoor air quality and reduce fuel poverty through creating more thermally efficient homes.
- 3.14 We have used our stock condition data and EPC data to identify areas improvement.
- 3.15 The social value commitments from the contractors on these schemes is collated in the Social Value section below.

### **Chesham Estate Bury**

- 3.16 This contract is to complete the works already undertaken at Chesham estate under grant funded social housing decarbonisation scheme waves 1 and 2. (SDHF).
- 3.17 These new works target an estate where 60% of properties are EPC rated D. Remaining properties are of similar construction and building components and we expect on pre works EPC assessment these will be reduced to EPC D. In addition to the energy works, windows and doors have been identified as requiring renewal by our stock condition surveys.
- 3.18 Works to meet current retrofit standards include: ventilation, loft insulation, cavity wall insulation, energy efficient lighting, windows & doors (as required) and solar photovoltaics to generate renewable energy where possible.
- 3.19 It is recommended that the contract is awarded to A. Connolly for a value of £1,443,506.87, undertaking work on up to 103 properties.

## **Freetown and Stanley**

- 3.20 Our current data shows that on Freetown and Elms Close 43% properties do not meet EPC target of C. The properties that are rated C are low rated C and expected to slip into EPC D with next software update of national SAP methodology.
- 3.21 Properties are similar archetypes and building structure and requiring upgrades to windows and doors according to stock condition survey. Majority of properties are bungalows, housing tenants with higher incidence of vulnerabilities exacerbated by cold.
- 3.22 Completing these works will increase all properties to a minimum of EPC C and some to EPC C or B and future proof against further energy improvement requirements and help to move towards low carbon targets.
- 3.23 We will seek to pilot Heat Pumps heating systems subject to tenant engagement. Other works include ventilation, loft insulation, cavity wall insulation, energy efficient lighting, windows & doors (as required) solar photovoltaics to generate renewable energy where possible.
- 3.24 It is recommended that the contract is awarded to Eco Approach for the value of £1,980,743.50 on up to 120 properties.

## **Hollinhurst Estate, Stand Lane, Radcliffe**

- 3.25 This estate has high percentage of EPC rated D properties at 70%. The EPC C rated properties are low EPC C with the same archetype of properties and building components and could fall into EPC band D with updates of national software SAP methodology. Properties are similar archetypes and building structure, and requiring upgrades to windows and doors according to our stock condition survey
- 3.26 Works include: ventilation, loft insulation, cavity wall Insulation, energy efficient lighting, windows & doors (as required) Solar photovoltaics generating renewable energy (where possible)
- 3.27 It is recommended that the contract is awarded to Live Manage Faciliate for the value of £1,646,189.85 for to up to 82 properties
- 3.28 We would propose each of the three energy contracts outlined above are for the initial period of the tendered works with the option to extend for a further 24 months should additional work be identified.

## **Possible Grant Funding**

- 3.29 The energy efficient works and contracts do not depend on grant funding, budgets are available and approved in the capital programme.

We will apply for grant funding from Warm Homes Social Housing fund through devolved grant fund managed by GMCA. Discussion are in place with GMCA and provisional bidding information shared with GMCA in advance of grant applications. Funding is up to £7,000 for fabric measures to take property up to EPC C.

- 3.30 We will seek to attract the maximum funding available for our work but grant funding is not guaranteed or formally pre-allocated. If all properties currently recorded as EPC D or below receive maximum funding at £7,000 per property, grant funding could be circa £1,120,000, reducing the cost to the HRA fund by this amount. This excludes potential further funding for heat pumps estimated at £140,000.

### **EPC Contract Extension**

- 3.31 We propose exercising the contract extension in the existing contract with GGI to extend works to a further 3 small estates in Prestwich, Tottington & Whitefield to make all those homes EPC C or above and improve the fabric of the building as required under stock condition survey.
- 3.32 This extension contract will ensure these 3 small estates are fully compliant and futureproofed for energy works and met low carbon targets.
- 3.33 It is recommended that we extend the contract with GGI for the value of £1,000,000 for work to 57 properties.
- 3.34 Works include: ventilation, loft insulation, cavity wall Insulation, energy efficient lighting, windows & doors (as required) Solar photovoltaics generating renewable energy.

### **Export Tariffs**

- 3.35 Where we have invested in renewable energy, solar panels, our tenants benefit from free electricity. Export tariffs are paid where any surplus electrical energy generated by the panels is sent back to the National Grid and an income is generated. Tenants will benefit from using the free generated electricity and any reduction in need of grid supplied electricity.
- 3.36 To date no formal decision has been made by the Council on who should receive the Export Tariff income, both historic and future payments, which are the product of the Council's investment in renewable energy.
- 3.37 We are currently working on claiming any historic and future revenue income from surplus exported electricity. This will require registration with an energy supplier. Retaining this income within the HRA will provide additional funding for maintenance of panels into the future and

potentially fund other services & further investment. This income will grow as we invest more in solar panels.

#### **4.0 Social Value**

- 4.1 All contracts will ensure that social value is maximised with project specific outcomes agreed at the contract award meetings.
- 4.2 As part of the procurement process we have asked bidders to make proposals on social value initiatives. Tender arrangements confirm 10% of the tender scoring was based on Social Value responses. Overall the evaluation is 60% Price, 30% Quality and 10% Social Value
- 4.3 All contractors have a good track record of delivering social value through the contracts awarded through the Procure Plus frameworks.
- 4.4 On the decent homes kitchen and bathroom contract Emmanuel Whittaker includes the following social value;
- £1,000 Local foodbank donation
  - 10 winter warmth packs for vulnerable households
  - All staff trained as Dementia Friends
  - 18 Volunteer Hours
  - 1 Estate skip day
  - 2 new local hires (Bury)
  - 1 Trainee role
  - 2 School engagement events
  - £500 materials & 18 hours volunteer labour offer to Bury communities
- 4.5 On our energy contracts social value offers are as follows:
- Chesham - A Connolly social value includes
- Donations to local foodbanks
  - Local recruitment
  - 75% materials and subcontractors from within Bury.
  - Skip days.
- Freetown & Stanley - Eco Approach social value includes:
- Delivering 2.5% social value of contract value.
  - Upskilling opportunities for local workforces through 12 training places targeted to residents including care experienced, young people and local SMEs
  - Successful trainees to have recruitment opportunities.
  - Commitment to local employment .
- Hollinhurst - Live Manage Faciliate social value includes;
- 100 start up packs for new tenants moving in
  - 120 winter warmer packs for vulnerable tenants

- 60 hours volunteering community health initiatives
- 100 staff hours clean up recycling efforts
- Donations to local foodbanks
- 2 apprenticeships 12 months term
- Recruitment of 4 local based operatives

EPC Contract Extension – GGI social value follows on from current contract including

- Use of local labour
- Local materials supply
- Food bank donations
- Training and links college
- Volunteer days

### **Alternative options considered and rejected**

***Do nothing:*** These works will enhance the physical appearance, energy efficiency and security of council homes across the Borough and will be welcomed and valued by residents. Maintaining homes to at least the Decent Homes Standard is a regulatory requirement and the Council would quickly become non-compliant with the Home Standard part of the Regulatory Requirements if these works were not brought forward

***Deliver Inhouse:*** These are major contracts and we lack the capacity in the in house contractor there is also significant specialist energy works included in the contracts.

***Open Tender:*** This option was considered and is possible. However, this would involve a significantly extended procurement process in both time and cost. The use of the Procure Plus framework which specialises in social housing investment works adds benefits in ensuring all tenderers meet capability, expertise and compliance requirements and the mini-competition allows the tender to be tailored to the Councils specific requirements. Using the framework offers clear benefits over the open tender route. Similarly exercising a 12 month contract extension on the same rates as the original contract allow us to bring forward investment quick without further drawn out tendering processes.

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### **Links with the Corporate Priorities:**

**The Let's Do It Strategy** sets out the Council's corporate priorities. This contract will support delivery in two key areas:

**Improved Quality of Life:** By their very nature these contracts helps to ensure improved modernised homes that meet the Regulators Decent Homes Standard with many of these homes benefitting from energy work which will make them cheaper to heat and more comfortable to live in

**2025 Vision and Aims** – This will help move forward the wider decarbonisation of the borough with the target of ensuring all the council's homes meet the minimum energy rating of EPC Band C

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#### **Equality Impact and Considerations:**

By the nature of social housing, many tenants suffer from socio-economic disadvantage. Many of those tenants who will receive works through these projects will benefit from the energy efficiency work in reducing bills, providing warmer more comfortable homes.

The proposal does not bring about any changes that would impact on one protected characteristic over and above another, it does not result in increased/decrease access to services or provision for any group of the population or cause any disadvantage to a community of interest. The approach is to ensure value for money in procuring the varied works through a proven framework (Procure Plus) for the council.

The Energy works will improve the comfort of tenants homes through increase in thermal comfort and reducing fuel poverty. Warmer homes can reduce ill health connected to colder homes and reduce the burden of high energy bills. Ventilation works will increase the indoor air quality.

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#### **Environmental Impact and Considerations:**

Contributes to ensuring an improved environment for all Council-controlled building users and visitors to the local area, to minimise repairs once works are complete reducing the costs of maintenance. As part of the quality submissions contractors were evaluate on their attitude and impact on the local area and environment.

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#### **Assessment and Mitigation of Risk:**

| Risk / opportunity Mitigation  | Risk / opportunity Mitigation   |
|--|---|
| Works identified as required through the Stock Condition Surveys and from repairs information supplied by the in-house contractor. | The council aims to complete a full Stock condition survey of properties, currently this has achieved 84% completion, this data will help to identify priorities for the forthcoming years programme, Full scoping and surveys have been carried out to each scheme identifying the amount of works required to compile a valued tender for each contract to achieve accurate prices, FM and social value from contractors. Cabinet approval will enable the council to award the contract to address the required improvements |
| Council Homes failing to meet decent homes standard  | The proposed contracts enable us to deliver improvements to council homes that ensure our properties continue to meet the Decent Homes Standard and provide good quality, well maintained and safe homes for our tenants.   |



|  |   |
|--|---|
| Failure to bring all homes to EPC C or above by 2030 (GM target) | The proposed works continue to bring a number of our properties to EPC C or above, working towards the local GM target of all homes being EPC C or above by 2030 and the national target of 2035. |
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### **Legal Implications:**

*To be added by the monitoring officer*

**Procurement advice has been provided throughout the tender process.  
Legal advice will be provided on the proposed contractual arrangements.**

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### **Financial Implications:**

The proposals can be funded from the approved HRA capital programme.

### **Report Author and Contact Details:**

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### **Appendices:**

None

### **Background papers:**

None.

### **Glossary of terms, abbreviations and acronyms used in this report.**

| <b>Term</b> | <b>Meaning</b>                                 |
|-------------|--|
| HRA         | Housing Revenue Account                        |
| GMCA        | Greater Manchester Combined Authority          |
| EPC         | Energy Performance Certificate (Energy Rating) |
| SHDF        | Social Housing Decarbonisation Fund            |
| SAP C       | Standard Assessment Protocol (Energy Rating)   |