

Report to:	Cabinet	Date: 09 September 2026
Subject:	Contract awards in respect of the HRA Capital Investment Programme 2026/27 and Carbon Reduction - Sustainability Improvement Measures	
Report of	Cabinet Member for Housing Services	

Summary

1. On 11th February 2026 Cabinet approved the Housing Revenue Account ("HRA") Capital Works Programme for 2026/27 and a budget of £5.6m for Carbon reduction schemes - Sustainability Improvement Measures.
2. The purpose of the current report is to seek formal approval of the following contract awards for Carbon reduction schemes below:
 - a) An extension of the existing contract between the Council and A.Connolly Limited (Company number 03860866) ("A.Connolly") for a further term of 12 months commencing on 8th September 2026 and total estimated contract value of £2,520,090.72 (inclusive of VAT). During the period of extension, the work carried out by A.Connolly will be in respect of the Bent Hill estate Prestwich Sedgely Ward - 140 properties, which forms part of Programme A.
 - b) A contract award to Next Energy Solutions Ltd (Company number 10147744) ("Next Energy") in respect of the estates mentioned below at 2.1 which comprise of Programme B, for an initial term of 8 months (proposed commencement date of 25th September 2026 and the option to extend for two further years taken as 12 month increments, from 1st April 2027 at the Council's sole discretion. The total estimated contract value for the initial term is £2,608,261.32 inclusive of VAT.
3. The total estimated future contract values in the event the options to extend are utilised by the Council are as follows:
 - First 12-month extension: £3,912,391.98 (inclusive of VAT)
 - Second 12-month extension: £3,912,391.98 (inclusive of VAT)
4. The estimated future contract values for the extension periods represent annualised values calculated on a pro rata basis from the initial term figure.

5. The Estates comprising of Programme B are:
 - 2.1.2 Goshen Estate, Redvales Ward - 95 properties
 - 2.1.3 Knowles St Estate, Redbank Ward - 6 properties
 - 2.1.4 Sumner Avenue Estate, Radcliffe North and Ainsworth Ward - 24 properties
6. Decent Homes Standard - Thermal Comfort fails for 70 properties throughout the borough. These are located within the Redvales, Ramsbottom, Besses, North Manor, Bury East areas.

Recommendation(s)

7. Cabinet is asked to approve the following:
 - 7.1 An extension of the existing contract between the Council and A.Connolly Limited (Company number 03860866) in respect of Bent Hill estate, Prestwich, Sedgley Ward – 140 properties, which forms part of Programme A, for a further term of 12 months commencing on 8th September 2026 and a total estimated contract value of £2,520,090.72 (inclusive of VAT).
 - 7.2 A contract award to Next Energy Solutions Ltd (Company number 10147744), in respect of the Estates comprising of Programme B and as outlined at 2.1, for an initial term of 8 months (proposed commencement date of 25th September 2026 and the option to extend for a further two years taken as 12-month increments from 1st April 2027, at the Council's sole discretion. The total estimated contract value for the initial term is £2,608,261.32 (inclusive of VAT). The total estimated future contract values in the event the options to extend are utilised by the Council are as follows:
 - **First 12-month extension:** £3,912,391.98 (inclusive of VAT)
 - **Second 12-month extension:** £3,912,391.98 (inclusive of VAT)

The estimated future contract values for the extension periods represent annualised values calculated on a pro rata basis from the initial term figure.

Reasons for recommendation(s)

8. The primary reason for requesting the contract extension with A.Connolly and contract award to Next Energy is to ensure continuation of the Bury Council Housing retrofit programme, which is aimed at helping to achieve Energy Performance Certificate ("EPC") C by 2030 along with aims to reduce energy consumption and carbon emissions. Retrofit surveys are underway in preparation for Social Housing/Warm Homes Fund (Wave 3) grant application which is essential to support HRA capital investment.

Alternative options considered and rejected

9. Do nothing: The energy schemes are necessary to help achieve legislative requirements of EPC C by 2030 and Net Zero ambitions in line with GMHP by 2038.
10. Deliver Inhouse: Due to the specialist scope of work within these contracts there is both a lack of suitable skills and capacity for the in-house contractor (Repairs Direct).
11. Re- tender: This option was considered for A.Connolly relating to the Bent Hill scheme and would be possible; however, this would involve a significantly extended procurement process in both time and cost.

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Background**Programme A - Bent Hill Estate, Prestwich, Sedgely Ward.**

12. The contract with A.Connolly that was awarded in 2025 had an initial term of 1 year, with the option to extend for a further 1 year at the Council's sole discretion. The total estimated contract value in respect of the 12-month extension that the Council seeks to utilise is £2,520,090.72 (inclusive of VAT). Whilst the previous Cabinet approval from July 2025 made reference to the contract having an option to extend, the contract value in respect of any extension was unknown at that time, which is the basis upon which Cabinet approval in respect of the extension is now being sought.
13. The scheme centres on fabric first approach, subject to retrofit surveys the energy measures include windows and doors, cavity wall and loft insulation, energy efficient lighting, ventilation, solar PV where appropriate.
14. This is a targeted estate with higher percentage of EPC rated D properties. Total number of properties is 241 this includes 120 with EPC C, 121 EPC D or E. The programme will be delivered over 2 years with 140 properties included in 2026/27 and the extension is being sought to as to ensure than the Council is able to have these works undertaken in a timely manner.

Programme B - Various estates

15. The Council undertook a compliant procurement exercise to undertake works at the estates mentioned below, by way of a Mini-Competition from the GMCA 911 Net Zero: Housing Retrofit Framework Agreement, Lot 13 – Turnkey Solutions. Next Energy were selected following submission of tenders and a fair evaluation exercise by Bury Council's Procurement Team. The total estimated contract value (for the initial term) of the contract for the works to be undertake by Next Energy in respect of Programme B is £2,608,261.32

inclusive of VAT. This amount is within the budget envelope requested within the HRA at Cabinet in February 2026.

16 The Estates comprising of Programme B are:

- **Goshen Estate, Redvales Ward** 95 properties, 48 EPC D, with EPC C properties which are low C and in need of upgrades of degraded insulation and a large number of windows and doors to be replaced along with delivering improved ventilation.
- **Knowles St Estate, Redbank Ward** 6 properties 2 of which are EPC D, remaining properties are very low EPC C, with minimal previous investment to complete works in the area.
- **Sumner Avenue - Ainsworth Estate, Radcliffe North and Ainsworth Ward** 24 properties, 9 EPC C and 15 EPC D
- **Decent Home standard** - Thermal Comfort failures for 70 properties throughout the borough. These are located within the Redvales, Ramsbottom, Besses, North Manor, Bury East areas.

Possible Grant Funding

17. Bury Council's Housing Carbon reduction schemes, depending upon availability of grant funds, can qualify for up to £7,000 for EPC D and below rated properties to improve to EPC C.
18. Grant funding is essential to support HRA capital funds for retrofit works and achieving EPC C targets. Retrofit assessments are underway in preparation for bid application to GMCA for Warm Homes Social Housing Fund be submitted in July 2026.

Social value

19. All contracts will ensure that social value is maximised with project specific outcomes agreed at the contract award meetings. All contractors have a good track record of delivering social value through the contracts awarded through the procurement frameworks.
20. Social Value commitments include but not limited to Winter warmer packs, local supplies, Swift Boxes, working with Bury college, Open days, litter picks, Skip days and donations to food banks.

Links with the Corporate Priorities:

21. **Let's Do It Strategy** sets out the Council's corporate priorities. This contract will support delivery in two key areas:
22. **Improved Quality of Life:** These contracts help to provide more modern energy efficient homes that meet the Regulator's Decent Homes Standard. The

measures aim to provide improved thermal comfort and ventilation, reduce energy consumption and bills, with positive outcomes for our tenants, homes, and the environment.

- 23. Vision and Aims:** These contracts help move forward the wider decarbonisation of the boroughs Council Housing stock. Helps to ensure all the Council's homes meet the minimum energy rating of EPC Band C by 2030. Additionally ensuring capital investment provides positive outcomes for our tenants and communities with the aim to lessen the impact of Fuel Poverty and cost of living.

Equality Impact and Considerations:

24. 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 for the council.

Environmental Impact and Considerations:

25. Bury Council Housing work very closely with Bolton and Bury Swifts to ascertain whether locations for investment could have a detrimental impact for migrating birds. External changes affecting their habitual migrating pattern requires careful consideration and mitigation for example installation of Swift boxes.
26. Additionally undertaking joint community events to raise awareness of the importance of swift colonies and protecting their migrating patterns, for example previous 'Summer Wings' event.
27. Bury Council Housing continue to ensure the retrofit programmes are devised, prioritised and delivered across our housing stock. Bringing about benefits for the dwellings, tenants and the environment in the installation of new windows and doors, cavity and loft insulation, external and internal wall insulation, Air Source Heat Pumps (where appropriate), improved ventilation and Solar PV.
28. Through the delivery of efficiency investment, property savings indicate
- circa **£299 per year** saving on tenant energy bills
 - circa **0.68 tonnes of CO₂ savings per year** (whole property, including all measures)
 - of which approximately **0.30 tonnes per year relates to solar PV generation**

29. Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Works identified as required through the Stock Condition and Retrofit surveys.	The Council aims to complete Stock condition surveys of properties, currently achieving 88% completion. This data will help to identify priorities for forthcoming investment programmes. 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, VFM 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, energy efficient, 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 properties to EPC C or above, working towards the local GMHP target of all homes being EPC C or above by 2030.

Procurement Implications:

30. Programme A (Bent Hill Estate Bent Hill Estate, Prestwich, Sedgely Ward) will be delivered through an extension to the existing contract with A.Connolly Limited. The contract includes provisions allowing for extension, and this is being exercised in accordance with those terms. This approach ensures continuity of delivery, builds on established contractor performance, and avoids the time and cost implications of re-procurement, whilst maintaining value for money.
31. Programme B (Various Estates) has been procured via a compliant further competition under the GMCA Net Zero Housing Retrofit Framework Agreement (GMCA911) Lot 13 – Turnkey Solutions. This route to market enabled a robust and transparent process, engaging pre-qualified suppliers

and ensuring delivery by an organisation with the appropriate technical expertise.

33. Both procurement routes comply with the Council's Contract Procedure Rules and relevant procurement legislation. The approach taken supports value for money, minimises procurement risk, and enables the timely delivery of the retrofit programme, which is critical to achieving EPC targets and securing external funding opportunities.

Legal Implications:

34. The contract between the Council and A.Connolly Limited provides for the right to extend the term by a further 1 year, plus 1 year at the Employer's sole discretion. The proposed extension of the contract term is permissible where the original contract expressly provides for such an extension, and the extension is exercised strictly in accordance with those provisions. Provided the scope, duration and any conditions of extension were clearly set out in the procurement documents and contract at the outset, exercising the extension will not constitute a material modification for the purposes of the Public Contracts Regulations 2015 which govern this contract, as it was awarded following a further competition using Procure Plus Dynamic Purchasing System (DPS) for Retrofit Programme delivery Services Lot 3: Retrofit Managing Agents – Installation Delivery.
35. Nevertheless, the Council should ensure that the extension represents value for money, that contractor performance has been satisfactory, and that the decision to extend is properly documented and authorised in line with the Council's contract procedure rules and governance requirements. Whilst the earlier Cabinet report from July 2025 referred to there being a right to extend, the cost of any extension was not known at that time. It is therefore correct that the Council seek Cabinet approval now in respect of this extension, particularly given the contract value, and demonstrates a commitment to ensuring compliance with governance rules and transparency.
36. As a contracting authority, the Council is required to adhere to relevant procurement law in procuring goods, works and services, in addition to following its own Contract Procedure Rules. Both the Procurement Act 2023, and its predecessor the Public Contract Regulations 2015 provide for the utilisation of a Framework as a compliant route to market.
37. The GMCA Net Zero Housing Retrofit Framework Agreement (GMCA911) was established in 2025 and is therefore governed by the Procurement Act 2023. The award that the Council now seeks to make to Next Energy Solutions Ltd has followed a compliant route to procuring of these works.
38. A local authority must exercise its housing functions in accordance with its statutory duties under the Housing Act 2004, including the Housing Health

and Safety Rating System (HHSRS), which requires authorities to address hazards such as excess cold and to secure safe, healthy housing conditions within the borough. In addition, under the Climate Change Act 2008 (as amended) and the Environment Act 2021, local authorities are expected to contribute to the achievement of national carbon reduction targets. The proposed approval of contractors to undertake carbon reduction and sustainability improvement measures for Programme A and Programme B is consistent with these duties, enabling the Council to proactively improve housing standards, reduce fuel poverty risks, and support wider environmental objectives.

39. The retrofit programme and associated works are aligned with the Council's obligations as a social landlord (where applicable) and its strategic housing role, including compliance with the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (as amended), which impose minimum energy efficiency standards (MEES) for rented properties. Works aimed at improving EPC ratings will assist in ensuring compliance with current and anticipated regulatory thresholds, mitigate enforcement risk, and support tenants' rights to energy-efficient accommodation. Care must be taken to ensure that procurement and contract award processes comply with the Procurement Act 2023 including transparency, equal treatment and value for money considerations.
40. In delivering such programmes, the Council must also have regard to its duties under the Equality Act 2010, ensuring that retrofit and sustainability measures do not adversely impact protected groups and, where possible, advance equality of opportunity (for example, by addressing fuel poverty). Adequate contractual safeguards should be incorporated to manage performance, health and safety, and compliance with building regulations and PAS standards relevant to retrofit works.
41. Overall, the proposed contract awards for Programme A and Programme B support the Council's statutory and policy responsibilities in relation to housing quality, energy efficiency and carbon reduction, provided it is implemented within a robust legal and governance framework.

Financial Implications:

42. Approval is being sought to progress to award of contracts for a number of Carbon Reduction schemes which have followed the Council's procurement process.
43. The funding for these schemes was provided for as part of the budget agreed for the HRA Capital Investment Plan for 2026-27.

Appendices:

None.

Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning