

Members' Library Service Request Form

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Originator	Head Of Development
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Document Title	HEEPS - ABS-HTT - Tender Acceptance

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Designation	Head of Development
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REPORT TO: Members' Library Service

MEETING DATE:

BY: Executive Director – Partnership and Community Services

SUBJECT: Tender Acceptance for the Delivery of Energy Efficiency Measures Such as Cavity, Under Floor and Loft Insulation in Specific Locations in East Lothian

1. PURPOSE

- 1.1 To note the decision to award the contract for the delivery of energy efficiency measures such as cavity, under floor and loft insulation in specific locations in East Lothian to Messrs Everwarm Ltd, Livingston.

2. RECOMMENDATIONS

- 2.1 Members are asked to note the decision of the Head of Development, acting under delegated authority, to accept Messrs Everwarm tender offer amounting to £664,050 after checking, for the installation of energy efficiency measures such as cavity, under floor and loft insulation. This report is submitted to the Members Library Service in accordance with Standing Order 3.4 (a) and (c) for Members' information.

3. BACKGROUND

- 3.1 Home Energy Efficiency Scotland Programmes: Area Based Schemes (HEEPS: ABS) is one of the Scottish Government's three home energy efficiency programmes launched in March 2013 to tackle fuel poverty and increase energy efficiency in homes.
- 3.2 Councils are the leading delivery body for HEEPS:ABS with the funding from the Scottish Government being used to enable improvements to privately owned housing within area wide energy efficiency improvement projects.
- 3.3 The Council received an offer of funding from the Scottish Government following submission of outline HEEPS:ABS projects. In June 2013, £1,083,022 of funding was allocated to the Council.
- 3.4 A two stage tender process is in place to deliver this package of work. The Energy Savings Trust has undertaken a procurement exercise on behalf of a number of Local Authorities across Scotland.

- 3.5 The first stage of this process concluded in January 2014, with seven contractors appointed to a framework based on a range of indicators, including quality and price. On this basis the following contractors were appointed to the framework.

Keepmoat	BCA	Carillion	Everwarm	Wates	SIG	AC Whyte
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- 3.6 In the second stage of this tender exercise a package of work, mainly involving cavity wall insulation but also including loft and under floor insulation was put to the framework as a mini-tender in February 2014. Six of the contractors on the framework submitted pricing schedules.

- 3.6 Results of mini-tender evaluation

Keepmoat	BCA	Carillion	Everwarm	Wates	SIG
67.5%	72.6%	67.0%	85.3%	56.5%	63.8%

- 3.7 Following checking and assessment, Everwarm have been selected as the lowest priced contractor.

4. POLICY IMPLICATIONS

- 4.1 The installation of these energy efficiency measures will assist in delivering one of the Council's key SOA outcomes "Everyone in East Lothian has access to quality sustainable housing" and specifically "Housing is more energy efficient and in better condition".

5. EQUALITIES IMPACT ASSESSMENT

- 5.1 This Report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6. RESOURCE IMPLICATIONS

- 6.1 Financial – The estimated cost of the works is £664,050 based upon completing 1040 installations. At this stage only an estimate of the value of the contract is available as the project is dependant upon engagement and uptake with private homeowners. Council expenditure is estimated to be £293,952 from the HEEPS:ABS budget and £37,229 from the Housing Revenue Account.
- 6.2 Measures will be provided free to private sector householders and the cost to the Contractor of installing measures in each household will be funded partly through payment by the Council out of its allocation of HEEPS:ABS funding from Scottish Government; an estimated **£293,952** and through the leveraging in of Energy Company Obligation (ECO) from energy suppliers at an estimated **£332,869**, which is an external funding source. Table 1 below outlines this breakdown of funding.

Table 1

Measure	Funding			Total Funding
	HEEPS:ABS	ECO	Social Landlord Contribution	
Hard to treat CWI (CWI solution)	£95,087	£218,400	£11,513	£325,000
Loft Insulation - top up	£35,523	£48,444	£6,033	£90,000
Hard to treat CWI (CWI solution)	£122,985	£57,521	£15,144	£195,650
Loft Insulation - top up	£40,356	£8,504	£4,540	£53,400
Totals	£293,952	£332,869	£37,229	£664,050

An estimated 112 measures will be carried out in Council owned properties. All of these are in blocks of flats where there is mixed tenure ownership. The Council is not eligible for HEEPS:ABS funding but is eligible for ECO funding, therefore the estimated cost to the Council is **£37,229**.

6.2 Personnel – None

6.3 Other – None

7. BACKGROUND PAPERS

7.1 None

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