

## Members' Library Service Request Form

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Originator	Alastair Ranyard
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Document Title	Tender acceptance for the delivery of external wall insulation and loft insulation in Macmerry and Musselburgh

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Additional information:

Authorised By	Monica Patterson
Designation	Depute Chief Executive
Date	03/09/14

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**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Depute Chief Executive – Partnerships and Community Services

**SUBJECT:** Tender acceptance for the delivery of external wall insulation and loft insulation in Macmerry and Musselburgh

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## **1. PURPOSE**

- 1.1 To note the decision to award the contract for the delivery of external wall insulation and loft insulation to private households in Macmerry and Musselburgh to Messrs Keepmoat.

## **2. RECOMMENDATIONS**

- 2.1 Members are asked to note the decision of the Head of Development, acting under delegated authority, to accept Messrs Keepmoat tender offer amounting to £1,498,565 after checking, for the installation of external wall insulation and loft insulation measures to private households in Macmerry and Musselburgh. 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 properties being targeted are in Macmerry and Musselburgh and were built in approximately 1960. They are all recognised as 'no-fines' construction and have been selected as they meet the criteria set out by the Scottish Government's HEEPS:ABS scheme as being suitable for external wall insulation. The properties are mainly terraced rows with roof space which may allow the topping up of existing loft insulation.
- 3.4 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.

- 3.5 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, including East Lothian Council.
- 3.6 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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- 3.7 In the second stage of this tender exercise a package of work, mainly involving external wall insulation but also including loft insulation was put to the framework as a mini-tender in August 2014. Four of the contractors on the framework submitted pricing schedules.
- 3.8 Results of mini-tender competition

**Table 1** Results of mini-tender competition

Keepmoat	AC Whyte	Carillion	Everwarm
£1,498,565	£1,742,617	£2,259,475	£2,477,339

- 3.9 Following checking and assessment Keepmoat 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 £1,498,566 based upon completing 285 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.
- 6.2 The project will predominately be funded by the Scottish Government's HEEPS:ABS scheme and through the leveraging in of Energy Company Obligation (ECO) from energy suppliers which is an external funding source. Table 2 below outlines this breakdown of funding.

**Table 2 – Funding Sources**

<b>Measure</b>	<b>No. Owner Occupied</b>	<b>Total</b>	<b>Total Cost</b>	<b>HEEPS:ABS</b>	<b>ECO</b>	<b>Owners Contribution</b>
Solid Wall Insulation - External	285	285	£ 1,498,566	£ 940,536	£415,530	£ 142,500

- 6.3 Under the terms of the Scottish Government’s HEEPS:ABS grant, the Council is required to pay the contractor for the works and then in turn claim funding from the Scottish Government. There is no capital expenditure required from the Council for this project.
- 6.4 Private sector householders will be asked to contribute a cost of £500 per property to the cost of installing the works. The average total cost of external wall insulation under this scheme is £5,258 per property. .
- 6.5 Personnel – None
- 6.6 Other – None

## **7. BACKGROUND PAPERS**

- 7.1 None

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