

REPORT TITLE: HOUSING RETROFIT CONTRACT APPROVAL  
16 JULY 2024

REPORT OF CABINET MEMBER: Councillor Westwood: Cabinet Member for Housing

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WARD(S): ALL

## PURPOSE

The declaration of a Climate Emergency in 2019, committed Winchester City Council to the Carbon Neutrality Action Plan (CNAP). A key element of the council's CNAP includes additional investment in the council's housing stock to improve energy efficiency and help tenants reduce their carbon emissions while also reducing their energy costs during the cost-of-living crisis. The 10-year HRA capital programme approved in February 2024 included an indicative budget allocation of £45m for climate emergency works (retrofit) from 2023/24 to 2030-31 with £ 4.906m programmed for 2024/25. This report addresses an element of the 2024/5 retrofit capital programme.

The purpose of this report is to seek approval to enter into contract to retrofit 21 Swedish cottages to improve the energy efficiency performance to current standards and to improve up to 500 properties with loft insulation top ups, of which 150 are programmed in 2024/25 ,which will improve their current EPC rating of D or below.

The report also seeks authorisation to award the contract for the works described above to an accredited contractor identified via a suitable Framework agreement and to enter into a JCT Standard Building Contract.

RECOMMENDATIONS:

1. Approves up to £3.25m of HRA capital expenditure in 2024/25, using the existing retrofit budget, for the retrofit of 21 Swedish cottages and up to 150 loft insulation top-ups and associated works.
2. Delegates authority to the Strategic Director - Services to be authorised to award and enter into a JCT Standard Building Contract to retrofit 21 Swedish Cottages and improve the loft insulation in up to 500 properties with Synergize Ltd.
3. The Strategic Director - Services to be authorised to negotiate and agree contractual terms with the contract appointment.
4. Delegates authority to the Service Lead: Legal to prepare and enter into all relevant agreements, negotiate the contractual agreements, and see them to completion to enable the successful delivery of the Retrofit Works.

**IMPLICATIONS:****1 COUNCIL PLAN OUTCOME****1.1 Tackling the Climate Emergency and Creating a Greener District**

- a) Winchester district to be carbon neutral by 2030.
- b) Greener Faster through delivery of Energy Saving Homes

This proposal would enable the team to retrofit 21 Swedish cottages and install up to 150 loft insulation top-ups and associated works in 2024/25. The delivery of the two programmes will improve some of the Council's worst performing properties. The below schedule illustrates the uplift of EPC within the Swedish Cottage programme.

<b>No. of Properties</b>	<b>Existing EPC/ SAP Rating</b>	<b>Post Work EPC/SAP Rating</b>
2	EPC F/SAP 32	EPC C/SAP 79
2	EPC E/SAP 48	EPC C/SAP 79
1	EPC E/SAP 49	EPC C/SAP 79
1	EPC E/ SAP 51	EPC C/SAP 79
2	EPC D/SAP 56	EPC C/SAP 78
5	EPC D/ SAP 60	EPC C/SAP 78
1	EPC D/SAP 65	EPC C/SAP 74
5	EPC D/SAP 67	EPC C/SAP 73
1	EPC C/SAP 71	EPC C/SAP 75
1	EPC C/SAP 70	EPC C/SAP 75

The Swedish Cottage programme is a whole house retrofit of No. 21 timber constructed post war prefabricated cottages. The whole house retrofit of these cottages includes the replacement of roofs, timber cladding, windows & doors, the work also includes the addition of loft, wall and floor insulation and ventilation upgrades. The successful Swedish Cottage pilot project completed in 2023, included the whole house retrofit of 5 properties. Tenants within these properties have reported a significant change in their energy bills and

comfort levels. The whole house retrofit includes essential repairs that are required to ensure longevity of these homes.

## 1.2 Homes for all

Retrofit has a direct influence on the quality of the Council's existing housing stock. The demand for new housing, over and above the Council's current commitment, is reduced by the delivery of quality retrofit. Homes are improved and repaired to increase the lifespan of a property's fabric and heating systems.

## 1.3. Vibrant Local Economy

The Green Economic Development Strategy (GEDS) (2021) sets out the direction for the next ten years to bring green economic growth and transition to net zero carbon.

There is a major shortage of skills within the Domestic Energy Improvement sector. To competitively appoint suitable contractors there is a requirement to contract swiftly as well as robustly.

## 1.4. Living Well

Health Inequalities: Retrofit of domestic homes has a direct impact on tenant's health by reducing illness, reducing pressure on the NHS and increases tenants' wellbeing. Warmer, better ventilated, and cheaper to run properties that last longer enable tenants to focus on their lives as opposed to surviving the winter or facing decisions such as heating vs eating.

## 1.5. Your Services, Your Voice

The proposal directly impacts on the goals within the 'Your Services, Your Voice': The work will improve the quality of the housing the council provides, and the programming of works will take place via engagement and consultation with customers, to minimise disruption as much as possible.

## 1.6. Climate Emergency

Climate Emergency: Retrofit aims to decarbonize Winchester City Council's 4,900 social rented homes, moving homes that are EPC D and below to an EPC C and ensuring existing energy measures are in good working order. The Retrofit of 21 Swedish Cottages and up to 500 Lofts Insulation Top-ups of which 150 in the current financial year contributing to uplifting the Council's properties EPC Ratings.

## 2 FINANCIAL IMPLICATIONS

<b>Proposed Contract Programmes</b>	<b>Est. cost £'000</b>
Loft and associated works to traditional houses, bungalows, and top floor. Flats - insulation top-ups to 400mm, cavity wall insulation and easy to reach ventilation	1,042
21 Swedish Cottages; Whole house retrofit	2,300
Funding received from South Downs National Park	(minus) -92,
<b>Total</b>	<b>3.250</b>

<b>Retrofit 24/25 Capital Annual Programmes (does not include work to void properties or retrofit work included in other programmes such as window or door replacement)</b>	<b>Est. cost £'000</b>	<b>No. of properties</b>
Loft and associated works to traditional houses, bungalows, and top floor. Flats: insulation top-ups to 400mm, cavity wall insulation and easy to reach ventilation	1,042	150
Additional loft and associated works to traditional houses, bungalows, and top floor flats	340	50
Wall works feasibility study: Winnall Flats - EWI	100	
All external elements: non-traditional stock - Deep retrofits & single glazed window replacement : including Swedish and Aireys	2,860	40
Showers & assoc. works	630	126
<b>Total</b>	<b>4.972</b>	<b>316</b>

- 2.1 The proposal will allow the appointment of the contractor secured through an approved Framework for the two main Retrofit programmes. Although it is programmed to complete 150 loft insulations in 2024/5 the appointment of the contractors will enable up to 500 homes to receive the works in total in this and subsequent years.

## 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The nature and range of the projects requires a specialist contractor(s) with Retrofit Certification, to ensure value for money and quality assurance.

- 3.2 Due to the high demand for these specialist contractors utilising a suitable Framework, where contractors have already undertaken a robust selection process to be appointed, was identified to be the most suitable procurement route. The Framework utilised is Efficiency East Midlands Limited (EEM) 00046 Framework for insulation and associated works.
- 3.3 Utilising a suitable Framework agreement is in accordance with the Public Contract Regulations 2015 and the council's Contract Procedure Rules
- 3.4 The winning contractor holds the relevant certification to carry out specialist retrofit work. The PAS 2030 and 2035 certification is governed by Trustmark an accreditation scheme that is a Central Government pre-requisite for all Central Government funded retrofit work.
- 3.5 The winning contractors submitted fee was benchmarked with other contractors and proved to be the most competitively priced.
- 3.6 The tender was carried out as a mini-competition under the EEM Framework reference: WICC0046(3)-22-204.
- 3.7 The Contractor conducting the work will be appointed using a JCT Standard Building Contract. The contractual payments being linked to successful performance of the works, whether in whole or in stages.
- 3.8 This contract offers the flexibility and procedures required to deliver two programmes that are different in nature and time scales.
- 3.9 The JCT contract will be managed in accordance with the council's contract management framework.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 Following a recent restructure of the housing service a dedicated retrofit team has been established to deliver the high priority programme. Delivery of these schemes will be by the retrofit team and therefore has no additional workforce requirements.

#### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The proposal will positively affect Winchester City Council's housing stock. Retrofit not only enables better living for tenants it also provides an opportunity to landlords to improve their housing stock. Retrofit with PAS 2035 as a quality benchmark ensures that all energy improvements are assessed against unintended consequences, upgrades of ventilation, door under cuts, trickle vents in windows, new DPC etc contribute to better functioning homes resulting in long lasting housing stock therefore reducing the cost, time and carbon required to constantly repair homes.
- 5.2 PAS 2035 is a Central Government Quality standard that is governed by Trustmark and is mandatory on all Central Government Retrofit Funding

Schemes. The standard demands that a specific process is followed using appropriately qualified specialists at key stages within the inception, design, delivery, and completion stages of a retrofit project. This is to ensure the Client (Funder) and Occupants are safeguarded against substandard retrofit work. PAS 2035 provides guidance to Landlord's and the Delivery team to ensure the end user and Client (Funder) obtains their intended retrofit outcome. This outcome may be a higher EPC, better quality homes for tenants, lower energy bills, better air quality within a home or warmer homes.

An improved EPC, warmer homes and lower energy bills are some of the intended outcomes of retrofit projects, these are prioritized according to the Occupant's and Client's (Funder) requirements/brief.

## 6 CONSULTATION AND COMMUNICATION

- 6.1 The Energy Saving Homes Programme is included in the Carbon Neutrality Action Plan. CNAP consultation is continuously reviewed since the Carbon Emergency was announced in 2019, by Winchester City Council.
- 6.2 Dedicated forums and coffee mornings were held in 23/24 and are currently being planned for 24/25. Tenant engagement includes inviting tenants to sign up for Energy Improvements as well as face-to-face consultations in the format of house visits (*where required*), coffee mornings and evening forums. These events allow us to describe the work taking place, provide a platform for tenants to discuss concerns and raise additional support where required. The appointed contractor is required to attend these meetings to ensure requests and support is provided to tenants sensitively and appropriately. Tenants also have a chance to meet the delivery team.
- 6.3 Consultations will continue through 24/25, the current strategy is to arrange community events prior to the delivery of retrofit work therefore giving tenants an opportunity to find out more about the Energy Improvements on offer and the possible impact these improvements can have on their homes.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Winchester declared a Nature Emergency in September 2023.
- 7.2 Retrofit tackles climate change in its effort to reduce the requirement for Fossil fuels to warm homes. Many of UK's vulnerable species rely on domestic gardens for survival. Investment and retention of these homes protects existing gardens contributing to species protection.

## 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The proposal which enables a more efficient and time conscious delivery of retrofit cannot proceed without the engagement of Winchester City Council's tenants. The programme approach aims to:

- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- Foster good relations between people who share a relevant protected characteristic and those who do not share it.
- Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure	Provision has been made in the HRA business plan to achieve EPC C for all the housing stock by 2030. The plan is reviewed annually taking into account Government rent regime and wider economic circumstances in framing a viable and sustainable HRA long term Business plan	
Exposure to challenge	Ensuring that the Council's Contract Procedure Rules and applicable external legislation is complied with protects the council from challenge. Advice and support from the council's Procurement and Legal teams also mitigates challenge.	
Innovation	Innovative technology is only installed within one off pilot properties, allowing the team the necessary time to analyse the effectiveness and durability of the system.	Retrofit provides the council with the opportunity to trial modern technologies that will be required to achieve Netzero.
Reputation		



Achievement of outcome	The proposed approach mitigates risk of non-delivery.	
Property		
Community Support	The delivery of the programme will be based on significant engagement and consultation with customers.	
Timescales		
Project capacity	A recent restructure of the housing service has delivered a dedicated project team for retrofit.	
Other:		

## 11 SUPPORTING INFORMATION:

- 11.1 Winchester City Council are committed to the decarbonisation of their housing. The contractor has been procured using an approved Framework. The outstanding action for the appointment of this contractor for the Swedish Cottages Upgrade and up to 500 Loft Insulation top-up of which 150 are programmed in 2024/5 .

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Due to the value of works they could be procured via an open tender. This approach is not recommended due to the costs and time this would entail compared to using an existing suitable and compliant framework.

## 13 BACKGROUND DOCUMENTS: -

### Previous Committee Reports: -

CAB 3293 MAKING HOMES CARBON NEUTRAL

CAB 3445 HOUSING REVENUE ACCOUNT BUDGET 2024-25

### Other Background Documents: -

- Winchester City Council's Carbon Neutral Programme Review April 2021 to March 2022 & Priorities for 2022/2: [HEP027 - Appendix 1.pdf \(winchester.gov.uk\)](#)
- CREATING A VIBRANT ECONOMY: [Economy chapter.pdf](#)

- Winchester District Local Plan: [Homes for all - Winchester District Local Plan](#)
- High Quality Well Design Places and Living Well: [High Quality Well-Designed Places and Living Well - Winchester District Local Plan](#)
- Winchester Declares a Nature Emergency: [Winchester City Council declares a Nature Emergency - Winchester City Council](#)
- Precedent Cab Report: CAB 3363: New Build Pavilion

14 APPENDICES:

None