

To: Cabinet
Date: 12 June 2024
Report of: Executive Director (Communities and People)
Title of Report: Framework for installation of renewable technologies for Council owned properties

Summary and recommendations	
Purpose of report:	To seek (i) Cabinet approval to establish a Framework for the provision and installation of renewable technologies to Council owned properties; and (ii) delegated authority for the Executive Director (Communities and People) to appoint suppliers to the Framework.
Key decision:	Yes
Cabinet Member:	Councillor Linda Smith, Cabinet Member for Housing and Communities Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	Meeting housing needs; Pursue a zero carbon Oxford; Support thriving communities
Policy Framework:	Housing Strategy, Council Strategy 2020-24; Zero Carbon Council by 2030 Zero Carbon Oxford Action Plan; Housing, Homelessness and Rough Sleeping Strategy 2023-2028

Recommendations: That Cabinet resolves to:	
1.	Grant approval for Oxford City Council to establish a Renewable Technologies Framework under the Public Contracts Regulations 2015 (or successor legislation) for the installation of renewable technologies to Council owned properties;
2.	Delegate authority to the Executive Director (Communities and People) to agree the final structure of the Renewable Technologies Framework and appoint successful suppliers to all lots on the Framework; and
3.	Delegate authority to the Executive Director (Communities and People) to procure and award contracts over £1 million procured through the Renewable Technologies Framework.

Appendices	
Appendix 1	Risk Register

Introduction and background

1. Oxford City Council (OCC) has set a target of getting 95% of its housing stock to an Energy Performance Certificate (EPC) C or above by 2030. There is also a commitment to reach net zero carbon emissions as a city by 2040 which goes beyond EPC C.
2. The Heat and Buildings Strategy (October 2021), sets out the Government’s intention to phase out the installation of natural gas boilers beyond 2035 with alternative low-carbon technologies used for heating.
3. The Council commissioned consultants Baily Garner to undertake an assessment of specific measures that would be required to achieve an Energy Performance Certificate (EPC) C rating and Net Zero across its housing stock. The Bailey Garner Report recommends following the fabric first approach but once the properties are well insulated, the next step is to install low carbon heating (such as heat pumps) in order to reach net zero carbon.
4. To support Oxford City Council’s policy of Net zero by 2040, part of the solution will be to install renewable energy technologies including heat pumps. In order to meet this target along with the Council’s EPC C target and prepare for the gas phase out. A route to market for these specialist services is needed to enable works to be completed quickly given the timeframe to 2030.
5. The Framework will be set up to enable growth and adapt to needs as required and will include other technologies that are not a Council priority to allow flexibility and ensure it is fit for purpose.
6. Detailed assessments and feasibility studies will be carried out to ensure only suitable properties are chosen for installation. Several of the proposed lots on the Framework include for detailed feasibility and design to ensure that installations are high quality and work as they should.
7. The Framework will allow the Council to procure works using pre-approved suppliers with a detailed specification for the works, to enable the installation of renewable technologies over a 4-year period.
8. There will be 7 lots on the framework to cover General Fund and HRA properties:
 - Lot 1 - Design/Supply and Installation of Domestic Air Source Heat Pumps
 - Lot 2- Design/Supply and Installation of Commercial Air Source Heat Pumps
 - Lot 3 – Design/Supply and Installation of Ground Source Heat Pump Powered Systems – Domestic

- Lot 4 – Design/Supply and Installation of Ground Source Heat Pump Powered Systems – Commercial
- Lot 5 – Photovoltaic /Solar Thermal /Battery - Design, Supply, and Installation
- Lot 6 – Installation only of Air Source Heat Pumps
- Lot 7 – Installation only of Ground Source Heat Pumps

Tender Process

9. Procurement has been involved in identifying the correct tender process for the Framework. The Framework will be procured in compliance with Part 19 of the constitution and relevant procurement legislation.
10. An open tender process is proposed to select the suppliers to be appointed to the framework. The specification requires suppliers to be accredited and trained to ensure industry standards are met. A pre-qualification stage will be used to ensure that suppliers meet the requirements, and all necessary qualifications are met.
11. Following submission of tenders the successful suppliers will be appointed to the Framework on the relevant lot(s). Once this is done the Framework can be used to award call-off contracts for identified works programmes. The proposed method for call off awards is by mini competition between the Framework suppliers on the relevant lot. However other options are also being explored.
12. The form of contract that will be used for contracts awarded through the Framework is being developed with legal advisors but is likely to take the form of a JCT Works Contract.
13. Oxford living wage and social value will be considered as part of the development of the framework and scoring criteria.
14. Under Section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002) the Council has an obligation in certain circumstances to consult with leaseholders who pay a service charge. Where Leaseholder consultation is required it will be carried out for the Framework and for relevant projects procured through the framework.

Financial Implications

15. The Framework agreement will have a value of £0 however to allow the framework to be fit for purpose it will be set up to allow up to £30m spend.
16. As the Framework will go out to the open market and all tenders will be assessed against cost and quality criteria this will ensure that value for money is achieved for any works delivered under the Framework.

17. Approval for future projects will be sought in line with Council processes. Each programme will seek approval using the required authorisations prior to award through the Framework.
18. The Framework will lead to efficiencies in both staff time and the time taken to procure generally and will enable the Council to procure works at short notice when required.

Legal Issues

19. Under Parts 4.5(10) 4.5 (11) and 19 (22) of the Constitution Cabinet is responsible for the decisions set out in the recommendation. Under section 9E (3) (c) of the Local Government Act 2000 Cabinet is empowered to delegate its functions to officers.
20. The establishment of the proposed framework is permitted under the Public Contract Regulations 2015. The Framework’s procurement and award of contracts under it once established will need to comply with the Council’s Constitution and the Public Contract Regulations 2015. Any decision to award a contract of £1 million or greater will be a Key Decision and will need to comply with the procedure for taking Key Decision set out in the Council’s Constitution.

Level of Risk

21. Please refer to the risk register at Appendix 1.

Carbon and Environmental Considerations

22. The installation of renewable energy technologies will reduce the Council’s building emissions and pave the way to net zero.

Equalities impact

23. A full Equality Impact Assessment has not yet been completed however one will be conducted as soon as possible to ensure that any decisions that are made consider their impact on people with protected characteristics.
24. Social value will be included as part of the quality scoring criteria on the framework.

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Background Papers: None