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**DELEGATED DECISION**

**APPROVAL TO AWARD THE BOILER  
REPLACEMENT SCHEME CONTRACT**

**Report of Elaine McLean, Executive Director Neighbourhoods**

Portfolio Responsibility: Cllr. David Hibbert. Cabinet Member for Housing,  
Transport & Planning

**14 January 2013**

Officer Contact: Angela Carr, Principal Housing Energy Officer  
Ext. 4798

**Purpose of Report**

To seek approval for the awarding of a contract for a new Boiler Replacement Scheme for Oldham's most vulnerable residents.

**Executive Summary**

We have recently been awarded an £190,000 grant from the Department of Energy and Climate Change 'Fuel Poverty' fund. This will pay for 50-75 replacement boilers or new central heating systems for Oldham's most vulnerable residents. The funding has to be spent by end of March 2013. An installer has been procured through an existing procurement framework to complete the boiler installations.

**Recommendations**

It is recommended that Herbert T Forrest from the FCHO Procurement Framework be awarded the contract.

# **APPROVAL TO AWARD THE BOILER REPLACEMENT SCHEME CONTRACT**

**Report to:** Executive Director – Elaine McLean

**Portfolio Responsibility:** Cllr David Hibbert

## **1 Purpose of Report**

1.1 To seek approval for the awarding of a contract for a new Boiler Replacement Scheme for Oldham's most vulnerable residents.

## **2 Executive Summary**

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## **3 Recommendations**

3.1 It is recommended that Herbert T Forrest from the FCHO Procurement Framework be awarded the contract.

## **4 Background**

4.1 Two funding applications were made by Oldham Council to Department for Energy and Climate Change (DECC) from their new 'Local Authority Competition Funding' pot. The deadline for these applications was 30<sup>th</sup> November 2012.

4.2 These 2 applications were to support the AGMA energy switching campaign which Oldham is leading on behalf of AGMA and a separate bid was put in to support a new Boiler Replacement scheme for vulnerable residents in Oldham.

4.3 We were informed on 21<sup>st</sup> December that both these funding applications were successful. The amounts were:  
- £438,000 for the AGMA Collective Energy Switching Programme  
- £190,000 for the Oldham Boiler replacement scheme

4.4 This report sets out what the reasons behind the 'Fuel Poverty' funding application for the boiler replacement scheme and what the next steps are.

## 5 Current Position

- 5.1 Oldham Council already has a number of initiatives in place to support people out of fuel poverty. In November 2012 we also secured £89,540 from the Department of Health to run further schemes over this winter period to help the most vulnerable residents – mainly 'Keep Cosy', which provides home energy checks, hot meals, free energy efficiency measures and emergency boiler repairs where necessary.
- 5.2 The main gap we have in funding is when we come across residents who either have no central heating in place (e.g. open fire), or have an irreparable boiler. Apart from the Government's Warm Front grant (which has a very limited eligibility) there is not a lot we can do to help these residents apart from providing temporary heating. The Government's Warm Front Grant is also closing for applications from the 19<sup>th</sup> of January 2013.
- 5.3 The new DECC funding we have successfully secured allows us to now assist these residents and provide them with a working and efficient heating system.
- 5.4 The scheme is proposed to be as follows:
- Available from January - March 2013, subject to funding (first come, first served)
- Upgraded boiler (inc. radiators/ controls if needed); must be replaced with an A rated boiler, current boiler has to be D-rated or less
  - Full new central heating system (if no current system in place)
  - Has to be installed by Council approved/procured Gas Safe installer (the tender for this closes today (9<sup>th</sup> Jan)
  - Only available to owner occupiers
- 5.5 The grant will not assist those who are eligible for Warm Front/ECO. This grant is only for those who are not eligible on the Warm Front/ECO Scheme. All applications will be assessed individually and will require surveyor approval.
- 5.6 For boiler replacements (where current system is still working but inefficient) residents will have to be on **means tested benefits to prove low income**.
- Where there is no working heating system in place the resident must either be on **qualifying benefits or have health condition** which is caused or made worse by living in the cold.
- 5.7 The above criteria should ensure that only residents who cannot afford to upgrade their heating system will be able to benefit. It is assumed that if the resident (with health condition) could afford to get their system fixed (or have heating installed) then they would have already done so and would not be living without heating/hot water by choice.

- 5.8 We would identify applicants through the current engagement work we are doing on fuel poverty (e.g. Toasty, Keep Cosy, door-knocking by Groundwork) and the scheme would be advertised to existing networks to encourage applications.
- 5.9 Using the FCHO procurement framework we have selected Herbert T Forrest Construction as offering the best value for money and capacity to deliver the boiler installations on our behalf.
- 5.10 The contractors would be able to install boilers/heating systems up to the value of £180,000 (all subject to our approval) and the Council would retain £10,000 revenue for the fund for programme delivery.

## **6 Options/Alternatives**

- 6.1 There are 2 options available:
- 6.1.1 Option 1 – Appoint Herbert T Forrest provider who are able supply and deliver all our boiler installations for best value in the short time period available.
- 6.1.2 Option 2 – Forfeit the DECC grant and not go ahead with boiler replacement scheme.

## **7 Preferred Option**

- 7.1 Option 1 – Appoint Herbert T Forrest and launch new boiler scheme from mid January.

## **8. Cooperative Agenda**

- 8.1 This new scheme supports our most vulnerable residents and communities.

## **9 Consultation**

- 9.1 Consultation has taken place via the Affordable Warmth Stakeholder Group, Welfare rights services, AGMA colleagues and the lead member for this portfolio of work.

## **10 Financial Implications**

- 10.1 The expenditure is capital and relates to capital items. It will be shown as a capital receipt and capital expenditure according to our accounting procedures.

- 10.2 The service manager will need to ensure that the grant is spent in accordance with the grant conditions in order to avoid any clawback from DECC. The funds must also be spent before 31.03.13
- 10.3 The monies must be spent before any claims can be made. The monthly claims must be submitted to DECC by the 16<sup>th</sup> of each month with the final claim being the 16<sup>th</sup> April 2013.

## **11 Legal Services Comments**

Assuming that the relevant FCHO framework properly permits the Council to call off from it (e.g. the Council was appropriately included in any advertising etc) (and no checks from Legal Services have been carried out to confirm whether this is the case), then this report demonstrates compliance with the Council's Contract Procedure Rules and applicable law. (Michael Lennox)

## **12 Human Resources Comments**

- 12.1 N/a

## **13 Risk Assessments**

- 13.1 None

## **14 IT Implications**

- 14.1 None

## **15 Property Implications**

- 15.1 None

## **16 Procurement Implications**

- 16.1 The procurement process has been administered via The Chest using Lot 3 of the FCHO planned maintenance and stock reinvestment works framework agreement and abiding by the framework T & C's and the Council's CPR's.
- 16.2 Contractors were invited to express an interest only if they were able to complete the whole project in the timescales given.
- 16.3 Subsequently the 3 qualifying contractors were asked to bid for the work on lowest price basis. Herbert T Forrest submitted the lowest bid. (Gaynor Gamble)

## **17 Environmental and Health & Safety Implications**

- 17.1 Environmental

By upgrading old boilers for more efficient boilers we will be reducing CO2 emissions, which will have a positive impact on the environment.

18 **Community Cohesion Implications [including Crime & Disorder Implications in accordance with Section 17 of the Act] and Equalities Implications**

18.1 None

19 **Forward Plan Reference**

19.1 None

20 **Key Decision**

20.1 None

21 **Background Papers**

21.1 None

Signed Glenn McKeon  
Executive Director

Dated 16/1/13