

EXECUTIVE DECISION

made by a **Cabinet Member**



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – HCDC03 24/25

Decision	
1	Title of decision: Energy Efficiency Dynamic Purchasing System (EEDPS)
2	Decision maker (Cabinet member name and portfolio title): Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development and Communities)
3	Report author and contact details: Nicola Turvey, Net Zero Delivery Officer nicola.turvey@plymouth.gov.uk 01752 304118
4	Decision to be taken: To agree: 1. Concession Agreement with Independence Community Interest Company (INCIC) to host an Energy Efficiency Dynamic Purchasing System; 2. Customer Access Agreement with INCIC to use the EEDPS to source approved, appropriately qualified and competent local contractors to deliver Retrofit works across the city.
5	Reasons for decision: Business Opportunity: Plymouth City Council seeks the opportunity to contract INCIC Ltd, through a Concession Agreement, to set up and manage an Energy Efficiency Dynamic Purchasing System (EE DPS), and to provide the role of securing correctly qualified and competent contractors to deliver a full range of energy efficiency (EE) retrofit measures to Plymouths eligible homes. The EEDPS will resolve our current challenge of sourcing competent contractors and varied measures by managing the PQQ procurement process, vetting, inspections and ongoing competency, compliance and contract particulars to provide a pool of approved PAS2030 and TrustMark accredited contractors, many of whom may already be approved to deliver installations through Plymouth City Councils Disability Facility Grant programme, and will be supported by INCIC, through their social values programme, to continually upskill their team and sub-contractors to PAS2030 certification to include insulation and other retrofit measures. Contracting INCIC's DPS to support the local SME market to engage with the WH:LG funding will enable Plymouth City Council to invest the funding we secure back into our local economy, increasing the social value to our city, increase employment opportunities, and direct investment into specific PAS2030 training programmes with City College to ensure more micro and SME businesses are skilled and compliant to work on the grant funded scheme.

Preferred Option - Good Capital Investment:

- Increased accountability of grant spending
- Increased management and oversight of contractor compliance
- Increased access to competent contractors and specialists
- Increased audit trail of full works delivered per property
- Ability to deliver complex works to eligible homes, to deliver deep retrofit
- Improved transparency of grant expenditure and resultant works completed
- Increased opportunity to invest the funding into local micro and SME businesses
- Increased opportunity to increase the social value of the funding to improve the local training opportunities with City College to upskill local businesses
- Very low financial risk – all financial risk sits within the parameters of the grant fund, and how it is spent
- Expenditure is based on competitive tendering, and weighted as set by PCC Procurement, Sustainability and Social Values agenda

Advantage to PCC:

Plymouth City Council already has an existing, mature and well developed Concession Agreement and Customer Access Agreement in place with INCIC to provide an ARMI DPS (Adaptations, Repairs, Maintenance & Improvement). This Agreement has been in place for over 8 years, and managed by the Housing Team has aided their ability to deliver a leading housing service in support and improvements, especially through the Disabled Facilities Grant.

PCC retrofit grant delivery model was established in 2020, based on the exemplary model of the Housing Teams exemplary model in delivering Disabled Facilities Grants (DFG). However, the key DFG procurement structure that the retrofit model failed to develop (due to role changes, and staff departures and new starters), has to date prevented Retrofit from investing its funding secured into the local economy and building up suitably qualified local contractors. The PCC Net Zero Delivery Team now finds itself in a strong position to be able to develop this procurement structure into our current Retrofit model, whilst still working in delivery partnership with Plymouth Energy Community, our key partner in ensuring the residents remain at the centre of all grant funding expenditure, and home improvements.

Key Benefits Include:

- Streamlined Procurement:** Reduces costs and simplifies the contractual process, encouraging competitive pricing
- Project Support:** Facilitates the assessment and funding of complex projects, allowing for thorough and effective retrofits
- Improved Response Times:** Saves time on project initiation, contract awards, record handling, and payments, enhancing operational efficiency
- Local Economy Investment:** Includes a profit-sharing model between INCIC and PCC, whereby PCC can receive 50% of the profit after INCIC costs are deducted, which can be reinvested into the local economy to ensure PAS2030 upskilling and certification is met
- Social Value:** Engages with micro and SMEs, fostering supportive relationships for delivering retrofit improvements
- Carbon Reduction:** Supports local businesses, reducing travel mileage and sourcing materials locally, contributing to carbon reduction target

Risks Understood:

- Entering into a Concession Agreement does not place PCC at any financial risk, as this agreement is not based on any direct financial transactions.
- Entering into a Customer Access Agreement places PCC at minimal financial risk, so long as the 1% management fee to INCIC is set, and not subject to inflation or increase at intermittent stages throughout contract length

Missing a valuable opportunity to utilise significant grant funding secured to invest into our local economy

6 Alternative options considered and rejected:

Do Nothing Option	Continue with current Retrofit Delivery Model
List Benefits:	Mature procurement process in place with Evolve Ltd and Taylor Hickey Ltd, that works Current model has passed multiple external audits conducted by grant funders and Devon Audit Partnership, and deemed an acceptable and approved model
List Risk / Issues:	Reduced offer of what improvements can be made to residents homes; Evolve Ltd will control the pricing, materials and measures to be installed as well as pace of delivery. PCC reliant on both organisations, leaving PCC exposed to risks on demanding improved quality, performance, delivery timeframes Unable to move away from Contractor should issues arise, as lack of other options in place
Cost:	£0.00 (set at zero as all expenditure is covered by grant funding)
Why did you discount this option	Option of what can be provided to a resident is too narrow Doesn't always result in the best improvement for what the resident/ house could receive to improve the thermal comfort of their home

Do Minimum Option	Continue with current approved Installer PEC & PCC project mgrs. seek to onboard more local contractors as PCC progresses into new WH:LG scheme
List Benefits:	Have established model in place Roles and deliverables are known and understood
List Risk / Issues:	Lack of internal staff resource to effectively deliver on this Potential lack of access into local contractor market without supporting time resource
Cost:	£25,000.00 – additional time and focus from internal resource working away from direct project delivery
Why did you discount this option	Time and focus is an issue with this option, its not impossible, but it would require a considerable amount of officer time to achieve effectively

Viable Alternative Option	Reshape PCC delivery model and find turnkey contractor to deliver full grant programme
List Benefits:	Main Contractor will be responsible for sourcing all contractors to improve residents homes
List Risk / Issues:	PCC would have a lack of control on design and depth of improvements to homes it would remove role of Plymouth Energy Community who play a vital role in handholding the resident through their

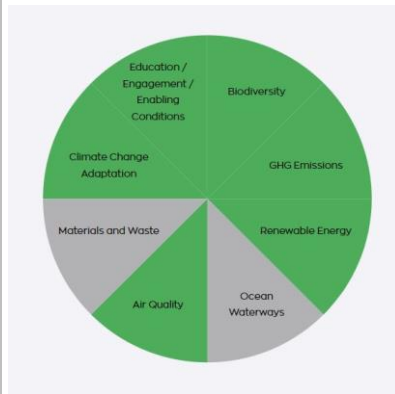
	customer journey, offering impartial advice and checking that they receive best workmanship and quality of install			
Cost:	£135,000.00 – PCC officer time in developing tender, and contract managing Main Contractor over 3 x year period			
Why did you discount this option	<p>This model has significant risk of not ensuring the resident is the central focus of the grant fund, In delivery process the offer to the resident may be simple and cheapest solution, so Contractor and subcontractors maximise their profit in fund delivery A key focus of both PCC and PEC to ensure that the funding results in highest levels of improvements as felt by the resident, and that the funded improvements work at a practical level to suit the households needs and lifestyle. This is likely not the case with a Main Contractor</p>			
7 Financial implications and risk:				
Potential Risks Identified		Likelihood	Impact	Overall Rating
Approved Contractors do not remain fully compliant and qualified – results in home not receiving TrustMark cert, and funding not being able to be utilized for costs of works delivered		Medium	High	High
<p>INCIC/ EEDPS monitor all documentation/ qualifications and associated expiry dates of approved Contractors. If either a quality issue or expiry date is noted without corrective actions taken then the Contractor is suspended from being able to bid for further works.</p> <p>INCIC will enforce minimum requirements and competency standards.</p> <p>In addition to this, the Contractor will only receive payment upon TrustMark cert upload to DPS CRM system</p>		Medium	Low	Low
Calculated risk value in £ (Extent of financial risk)	£30,000.00	Risk Owner	Nicky Turvey, Plymouth City Council INCIC	
Risk	Loss of local micro and SME contractors if they are priced out of competitive tender process by national larger organizations	High	High	High
Mitigation	PCC can directly manage this risk by setting the ratio of how a contract is awarded, such as reducing the set ratio of 60% price 40% quality; to align with the DFG standard of 40% price 60% quality, which can include a weighting towards local micro and SME businesses	Medium	Medium	Medium
Calculated risk value in £ (Extent of financial risk)	£7 million not invested in local SMEs	Risk Owner	Plymouth City Council	

	Risk	PAS2030 & DPS Set up could be a barrier into the Plymouth retrofit market		High	High	High
	Mitigation	Set up the DPS process in a way that works with neurodiversity, different reading and writing capabilities and tools/ templates for businesses to use via a tablet to ensure they have the records and support in place to apply for PAS2030 certification. Support provided will include CDM Regs 2015 risk assessment templates.		Medium	High	Medium
	Calculated risk value in £ (Extent of financial risk)	£7 million not invested in local SMEs	Risk Owner	Nicky Turvey, Plymouth City Council INCIC		
	Risk	Warranties not secured for works delivered to residents homes		Medium	Medium	Medium
	Mitigation	DPS tracking all records provided by Contractor, and payment is not issued until documentation is complete. INCIC offer further level of assurance by insuring 1.2% of the contract value, which can be drawn upon for remedial works should this be required		Medium	Medium	Medium
	Calculated risk value in £ (Extent of financial risk)	£100,000.00	Risk Owner	Nicky Turvey, Plymouth City Council INCIC		
8	Is the decision a Key Decision? (Please contact Democratic Support for further advice)	Yes	No	Per the Constitution, a key decision is one which:		
			X	in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total		
			X	in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million		
			X	is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.		
	If yes, date of publication of the notice in the Forward Plan of Key Decisions	28/11/2024				
9	Please specify how this decision is linked to the Council's corporate	The project is an excellent fit with the strategic objectives of The Council. Social inequalities will be reduced by the provision of efficient heating and efficiency measures to social housing households experiencing fuel				

plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:

poverty. This not only provides a much healthier, warmer, and comfortable environment for the householder, it also reduces the annual energy bill ensuring vulnerable households income is maximised. The retrofitted energy efficiency measures will help to reduce the carbon emissions of the city, contributing to the delivery of the Joint Local Plan and Climate Emergency Action Plan.

I 0 Please specify any direct environmental implications of the decision (carbon impact)



Overall this project generates long term positive climate impact in the following areas:

- Biodiversity
- GHG Emissions
- Renewable Energy
- Air Quality
- Climate Change Adaptation
- Education/ Engagement/ Enabling Conditions

Currently there is not a directly positive climate impact to:

- Materials and Waste
- Ocean Waterways

However, there is the opportunity to use this project to steer an improvement in retrofit practise when and where it interacts with these 2 x areas. to ensure continual improvement is driven to ensure these areas also benefit from the retrofit delivery within the city.

Urgent decisions

I 1	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?	Yes		(If yes, please contact Democratic Support (democraticsupport@plymouth.gov.uk) for advice)
		No	X	(If no, go to section I3a)

I 2 Reason for urgency:
a

12	Scrutiny Chair		Date	
b	Signature:			
	Scrutiny Committee name:			
	Print Name:			
Consultation				
1	Are any other Cabinet members' portfolios affected by the decision?	Yes	<input checked="" type="checkbox"/>	
3		No	<input type="checkbox"/>	(If no go to section 14)
1	Which other Cabinet member's portfolio is affected by the decision?	Councillor Tom Briars Delve (Cabinet Member for Environment and Climate Change)		
3				
1	Date Cabinet member consulted	21/11/2024		
3				
1	Has any Cabinet member declared a conflict of interest in relation to the decision?	Yes	<input type="checkbox"/>	If yes, please discuss with the Monitoring Officer
4		No	<input checked="" type="checkbox"/>	
1	Which Corporate Management Team member has been consulted?	Name	Paul Barnard	
5		Job title	Service Director for Strategic Planning & Infrastructure	
		Date consulted	21/11/2024	
Sign-off				
1	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)	JS73 24/25	
6		Finance (mandatory)	DJN.24.25.123	
		Legal (mandatory)	LS/2960(25)/JP/191124	
		Human Resources (if applicable)	N/A	

		Corporate property (if applicable)	N/A
		Procurement (if applicable)	KK/PS/759/ED/1124

Appendices

17	R ef.	Title of appendix
	A	Briefing report for publication
	B	Equalities Impact Assessment
	C	Climate Impact Assessment

Confidential/exempt information

18a	Do you need to include any confidential/exempt information?	Yes		If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below. (Keep as much information as possible in the briefing report that will be in the public domain)
		No	<input checked="" type="checkbox"/>	


		Exemption Paragraph Number						
		1	2	3	4	5	6	7
18b	Confidential/exempt briefing report title:							

Background Papers

19 Please list all unpublished, background papers relevant to the decision in the table below.
Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.

Title of background paper(s)	Exemption Paragraph Number						
	1	2	3	4	5	6	7

Cabinet Member Signature

20	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached.		
Signature		Date of decision	22.11.2024
Print Name	Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development and Communities)		