

ASHFIELD DISTRICT COUNCIL: EXECUTIVE FUNCTIONS DECISION RECORD

Please use this form to record any Executive Decision taken by an Executive Lead Member or Chief Officer.

TO BE COMPLETED BY THE DECISION TAKER:	
1.	<p>Procurement of an Energy Data Analytics Solution:</p> <p>Request approval to go to procure a new Energy Data Analytics Solution in accordance with the Contract Procedure Rules.</p>
2.	<p>Is this a Key Decision: A Key Decision is one that is likely to:</p> <p>(a) Result in the Council spending or making savings of over £50,000 revenue or £1m capital, or;</p> <p>(b) Have a significant impact on two or more Wards, or electoral divisions in the Council's area.</p> <p>This is not a key decision</p>
3.	<p>Decision Taken:</p> <ol style="list-style-type: none"> 1. To approve the procurement of a new energy data analytics solution through a contract change notice addendum to the existing Capita housing solution contract at an additional contract cost of £10,068 per annum and one-off set up cost of £9,814. 2. With approval from the Executive Lead to apply exemption to Contract Procedure Rules 17.6.2 to deal with a single contractor and to vary the quotation/tender requirements.
4.	<p>Reasons for the Decision:</p> <p>The Council does not currently have any provision to model energy data which will be required immediately for the purposes of developing upcoming funding bids (commencing September 2022). The imminent funding (Social Housing Decarbonisation Fund Phase 2) will potentially benefit the Council by over £1m HRA, which may be lost if the Council is unable to provide a suitable bid, backed up by the relevant data as facilitated by such energy modelling software. Such software is required to provide data in the formats expected for the bids and be able to model energy data in order to consider energy improvement measures and their respective associate cost/benefit to programme and prioritise works to meet carbon reduction targets.</p>
5.	<p>Copy of the Report or Briefing Note setting out the information which was used as the basis for the Decision:</p> <p>Detailed report attached</p>

6. Was the Decision classed as exempt? If so, what were the reasons for this:

Please refer to the Constitution which explains the legal grounds for exempting from publication information used to make a decision.

7. Alternative Options Considered / Rejected:

- 1) Engage a consultant to carry out this function for the Council on a continual basis. Outsourcing is neither cheap nor particularly flexible.
- 2) To do nothing is not an option.

The preferred and recommended option is to procure the suitable energy analytics software.

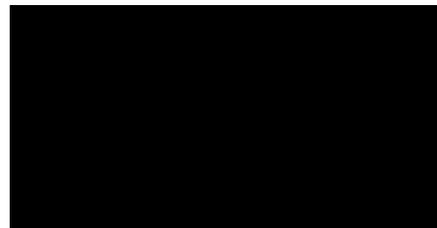
8. Declarations of Interest and Dispensations – if applicable:

Any Declarations of Interest relating to this decision and subsequent dispensations should be listed.

9. Name / Title of the relevant Executive Lead Member(s) consulted (if appropriate):

10. Name / Title of the decision taker:

Executive Lead Member for Regeneration and Corporate Transformation –
Councillor Matthew Relf:



Date: 3 August 2022

TO BE COMPLETED BY DEMOCRATIC SERVICES

1. Date that the decision was notified to Members:

3 August 2022

2. Date and time when the Call-In period for this decision ends:

5pm – 10 August 2022

3. Date when the decision can be implemented (five clear working days following publication):

11 August 2022

4. Decision Reference Number (if applicable):

N/A

The completed form should be emailed to the Democratic Services Team:

democratic.services@ashfield.gov.uk

They will arrange for it to be published on the Council's web site.

EXEMPT OR CONFIDENTIAL BACKGROUND INFORMATION IN SUPPORT OF THE DECISION:

Use this section to share any confidential information. **This will not be published or placed on the Council's web site.** It will only be shared within the Authority, as appropriate.

For further support or guidance please contact Ruth Dennis, Director of Legal and Governance (and Monitoring Officer) ruth.dennis@ashfield.gov.uk or any member of the Democratic Services Team.

Report To:	EXECUTIVE DECISION
Date:	3 AUGUST 2022
Heading:	ENERGY ANALYTICS SOLUTION PROCUREMENT
Executive Lead Member:	CLLR MATT RELF
Ward/s:	N/A
Key Decision:	NO
Subject to Call-In:	YES

Purpose of Report

Request approval to go to procure a new Energy Data Analytics Solution in accordance with the Contract Procedure Rules.

Recommendation(s)

1. To approve the procurement of a new energy data analytics solution through a contract change notice addendum to the existing Capita housing solution contract at an additional contract cost of £10,068 per annum and one-off set up cost of £9,814.
2. With approval from the Executive Lead to apply exemption to Contract Procedure Rules 17.6.2 to deal with a single contractor and to vary the quotation/tender requirements.

Reasons for Recommendation(s)

The Council does not currently have any provision to model energy data which will be required immediately for the purposes of developing upcoming funding bids (commencing September 2022). The imminent funding (Social Housing Decarbonisation Fund Phase 2) will potentially benefit the Council by over £1m HRA, which may be lost if the Council is unable to provide a suitable bid, backed up by the relevant data as facilitated by such energy modelling software. Such software is required to provide data in the formats expected for the bids and be able to model energy data in order to consider energy improvement measures and their respective associate cost/benefit to programme and prioritise works to meet carbon reduction targets.

The data analytics service either must be bought in (labour and software commissioned continuously through consultants) or be provided in-house through subscribing to suitable software. The Council's Energy Performance Officer (EPO) is a qualified Domestic Energy Assessor and has recently carried out the required retrofit assessor training, and is registered via the certification organisation, STROMA, acting as a Data Gatherer on behalf of the Government. As contingency, it is also possible to train alternative officers to be able to use the energy data analytics software and be trained as Retrofit Assessors.

The recommendation is to subscribe to the appropriate software, to utilise the existing metadata that exists within the Energy Performance Certificate (EPC) database, and develop programmes of work in-house, the key benefit being control over the data, keeping the knowledge base of the stock within the same team, maximising flexibility and providing a cheaper solution than seeking consultancy assistance continually to carry out this exercise.

Alternative Options Considered

- 1) Engage a consultant to carry out this function for the Council on a continual basis. Outsourcing is neither cheap nor particularly flexible. Based on an estimate of one month's resource needed per bid to model data at £500 per day (conservative estimate) would be £10k. Therefore 100% of the annual support and maintenance costs of the solution would equate to the equivalent of just one month of external consultancy data analysis support, which is expected to be required on an ongoing basis. The cost to engage with an external consultant also ties up a lot of in-house resource to provide them with data, manage them and dovetail in with other works as well as wait for their availability (may pay a premium to have them available immediately). The option to purchase the solution is therefore a medium to long term cost avoidance proposal.
- 2) To do nothing is not an option.

The preferred and recommended option is to procure the suitable energy analytics software.

Detailed Information

Climate Change and carbon emissions reductions are a key Government priority, the intention being to achieve (near) net zero by 2050. In addition, the intention is for the Council's domestic properties to achieve an Energy Performance Certificate (EPC) rating of C by 2030.

To achieve this goal and to reduce fuel poverty and increase disposable income for the benefit of the community will require a dramatic reduction in energy demand through significant investment. This investment is expected to be a minimum of £100m in energy reduction measures over the life of the business plan, whereby the correct selection of measures and the prioritisation of such measures to maximise benefits with minimum expenditure is essential.

Data driven decision making is a regulatory requirement.

To achieve this goal efficiently and effectively, data is key. The Council must be able to access software to manage and model energy data to develop all future programmes of work relating to carbon emissions reductions, and which is expected to be a key priority under the new Decent Homes Standard expected soon. In addition, Government funding opportunities (to assist the Council to achieve its goals) also now require levels of energy data beyond basic EPC data, not currently able to be provided.

The Council **does not currently possess any software to manage and model energy data**, and so the Council has two options: -

- 1) Provide suitable software (energy analytics software) to enable:
 - modelling functionality to produce scenarios for base calculations.
 - facilitating the modelling of energy efficiency investment, allowing for the setting of Standard Assessment Procedure (SAP)/EPC targets and estimates of the costs of retrofit.
 - assistance with the creation / justification of funding bids relating to the improvement of the Council's domestic housing stock – i.e., Social Housing Decarbonisation Fund or similar, whereby such bids require data in the format that such software can provide, using an energy modelling tool or calculator.
 - The EPO will be engaged on the data collation/analysis. This is a new task, and the extent of the task is still undefined and will become clearer as the new Decent Homes Standard is introduced, and new funding opportunities announce eligibility criteria and data requirements. However, using the proposed data analytics tool, it is expected that the time required for the EPO to be undertaking data analysis will be minimal, an indicative estimate is one month of officer time, 4 weeks cumulative time, over any year. The impact this would have on the EPO's existing workload would be a reduction in time allocated to undertaking EPCs and other tasks. Although it should be noted that the EPO post is currently covering a number of tasks of the vacant Energy & Climate Change Officer post, pending appointing to it, which has been ongoing for a long time now.
- 2) Engage a consultant to carry out this function for the Council on a continual basis. Outsourcing is neither cheap nor particularly flexible.

To do neither is not an option.

The recommendation is to purchase the appropriate software, to utilise the existing metadata that exists within the EPC database, and develop programmes of work in-house, the key benefit being control over the data, keeping the knowledge base of the stock within the same team, maximising flexibility and providing a cheaper solution than seeking consultancy assistance continually to carry out this exercise.

We are aware that Sava Intelligent Energy has been integrated with the housing software provided by Capita. Capita have partnered with Sava and are therefore able to provide the software within existing contractual terms provided by the contract change notice. This would be the quickest route to procuring and mobilising the required energy analytics software.

Implications

Corporate Plan:

The required energy data analytics solution will significantly support the development of robust funding bids, aimed at ensuring the Council's domestic properties are thermally efficient and that we are minimising the carbon footprint in line with government targets, as specified in the Corporate Plan – Homes and Housing Corporate Priority.

Legal:

Bids for the Social Housing Decarbonisation Fund Phase 2 will open in September 2022 (which requires preparation now), hence the project is a high priority and urgent, due to the nature of timescales and specialism of the required product, exemption to Contract Procedure Rules 17.6.2 will be applied 'Where there is no (or insufficient) marketplace to tender for the supply of goods, services or works required because of the specialist nature of the proposed Contract permission to apply an exception will be sought from the Executive Lead Member or Cabinet to either deal with a single contractor or to vary the quotation/tender requirements.' [RLD 01/08/2022]

Finance: [PH 02/08/2022].

Budget Area	Implication																				
General Fund – Revenue Budget	N/A																				
General Fund – Capital Programme	N/A																				
Housing Revenue Account – Revenue Budget	<p><u>Costs of Software Solution:</u></p> <p>Capita are able to provide the software within existing contractual terms provided by the contract change notice. The associated costs to add the standard Sava Intelligent Energy software (based on ~7,000 properties) to the existing contract for Capita Open Housing (Agreement - HSCE57127) are as follows: -</p> <table border="1"> <thead> <tr> <th>Product</th> <th>Licence -one off</th> <th>Service – one off</th> <th>Annual Charge</th> </tr> </thead> <tbody> <tr> <td>Intelligent Energy Annual Cost</td> <td></td> <td></td> <td>£9,568</td> </tr> <tr> <td>RdSAP</td> <td>£2,500</td> <td>£5,244</td> <td>£500</td> </tr> <tr> <td>One Housing Consultancy</td> <td></td> <td>£2,070</td> <td></td> </tr> <tr> <td></td> <td>£2,500</td> <td>£7,314</td> <td>£10,068</td> </tr> </tbody> </table>	Product	Licence -one off	Service – one off	Annual Charge	Intelligent Energy Annual Cost			£9,568	RdSAP	£2,500	£5,244	£500	One Housing Consultancy		£2,070			£2,500	£7,314	£10,068
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	<p><u>Ongoing Costs</u></p> <p>This would be an addendum to the current contract meaning the Intelligent Energy agreement will run alongside the Housing Management contract which expires on 1st April 2024. After this point, the annual costs would roll and align potentially with a new contract agreement with One Housing as a system upgrade and re-contract, to be determined.</p> <p>2022/23 costs will be funded from the HRA Eco Funding Reserve. Annual recurrent costs from 2023/24 onwards will be built into the annual HRA budget</p>																				

Housing Revenue Account – Capital Programme	N/A
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Risk:

Risk	Mitigation
The predominant risk is being unable to provide data suitable for funding bids and developing/prioritising programmes of major works if the Council does not have appropriate software.	Expedient procurement of a suitable robust energy data analytics solution

Human Resources:

Suitable training will be required to ensure effective use of the software. [KB 01/08/22]

Environmental/Sustainability

The procurement of the recommended solution will significantly support the Council to successfully deliver the Climate Change and carbon emissions reductions which are a key Government priority

Equalities:

Not applicable

Other Implications:

(if applicable)

Reason(s) for Urgency

Bids for the Social Housing Decarbonisation Fund Phase 2 will open in September 2022 (which requires preparation now), hence the project is a high priority and urgent

Reason(s) for Exemption

There is no (or insufficient) marketplace to tender for the supply of goods, services or works required because of the specialist nature of the proposed Contract. Permission to apply an exception will be sought from the Executive Lead Member or Cabinet to either deal with a single contractor or to vary the quotation/tender requirements

Background Papers

(if applicable)

Report Author and Contact Officer

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