

## **WAVERLEY BOROUGH COUNCIL**

**OVERVIEW & SCRUTINY COMMITTEE – RESOURCES – 20 FEBRUARY 2023**

**EXECUTIVE – 7 MARCH 2023**

**COUNCIL – 21 MARCH 2023**

---

**Title:**

**Ockford Ridge Refurbishment Phase 4  
Deep Retrofit - Green Technology Pilot**

---

**Portfolio Holder: Cllr Paul Rivers, Portfolio Holder for Housing (Operations)**

**Head of Service: Andrew Smith, Executive Head of Housing**

**Key decision: Yes**

**Access: Part Exempt – Report Open / Annexes Exempt**

**Note pursuant to Section 100B(5) of the Local Government Act 1972**

Annexes to this report contain exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

---

**1. Purpose and summary**

**1.1 Purpose and summary of the report.**

- To update members on the progress made with delivery of the pilot project to deep retrofit seven properties at Ockford Ridge. A pilot project that will contribute to the Council's environmental and sustainability objectives and aim to become a net zero-carbon council by 2030 through the delivery of affordable homes which are more sustainable and energy efficient than they are at present. At the same time improving quality of life and reduce fuel poverty for future tenants by using renewable energy sources (air source heat pump / photovoltaic cells (PV's)) and reducing the overall heat demand through the provision of additional external wall and internal floor and roof insulation and modern A+ rated double glazed windows. Electric vehicle charging points will be installed where the properties have off street parking.
- Advise members on:
  - the outcome of the procurement process to identify a build contractor
  - background to the request for additional budget to complete the proposed pilot and
  - options considered to reduce the costs
- Seek Executive approval to enter into contract to deliver the pilot project.

## 2. **Recommendation**

The Executive, after considering the report and annexes and comments of the O&S Resources Committee as detailed in the Consultation and Engagement section of this report.

1. Recommend to Full Council that an additional budget allocation of £784,000 is agreed for Phase 4 of the Ockford Ridge Regeneration Project, bringing the total allocated budget to £1.765m, to enable the deep retrofit of seven homes, piloting the use of green renewable energy sources and enhanced fabric, to proceed according to the previously approved specification as detailed in Exempt Annexes 1 – 4; and
2. Subject to the agreement of Full Council of the additional budget allocation, approves:
  - i. Entering into a contract with the preferred contractor for the delivery of the works;
  - ii. Entering into any related contractual documentation (including collateral warranties or agreements) relating to the project; and
  - iii. Giving delegated authority to the Executive Head of Legal and Democratic Services to approve the final form of legal agreements.

## 3. **Reason for the recommendation**

- 3.1 The Council has already committed to the delivery of the regeneration of the Ockford Ridge estate which includes both regeneration and refurbishment of homes. To date, three phases of refurbishment have been completed and a budget of £981,000 was approved at full Council in February 2022 to deliver this next phase.

The project will deliver modern, safe, and secure, sustainable homes and support delivery of the Council's [Corporate Strategy 2020 – 2025](#), [Climate Change and Sustainability Strategy 2020 - 2030](#), [Carbon Neutrality Action Plan 2020 - 2030](#) and [Housing Asset Management Strategy 2022-2030](#) commitments and targets.

The Housing Asset Management Strategy sets out that the Council will take a 'Fabric First' approach when investing in our properties to reach a carbon neutral position which aligns with the Social Housing Decarbonisation Fund principles. However, to reach a carbon neutral position it highlights that more complex measures may be required including a whole house retrofit strategy, potentially following the principles of PAS 2035 (PAS, performance advisory specification to be implemented by 2035) which is a British quality standard for the retrofit and energy efficiency sector for housing.

The next phase of retrofit at Ockford Ridge provides the opportunity to implement a pilot which takes the whole house retrofit approach with an enhanced fabric using external and floor insulation and replacement of the use of fossil fuels with green renewable energy sources and technology. This will enable the Council to:

- demonstrate its commitment to its Climate Emergency declaration and how it can retrofit its homes to ensure their energy performance is fit for a carbon-neutral energy system

- demonstrate its intent to invest in our housing stock and how much implementing the commitment costs, informing the details required as part of the Council's call to government to provide long term funding solutions to support delivery of local and national climate targets
- take a 'learning through doing' approach which with monitoring, evaluation, and documentation, will provide an enhanced understanding of the whole house retrofit process and identify areas of cost reduction, replicability, and scalability to potentially develop larger-scale programmes
- develop handover advice and training on the upgrade of fabric envelop and systems that ensure efficient interaction and operation of the property
- undertake post retrofit insitu measurement and monitoring of the performance of the property and post occupancy evaluation
- use the pilot and lessons learnt to assist when bidding for future funding programmes
- maximise the potential and value of a Council owned asset and proactively decarbonise homes.

#### **4. Relationship to the Corporate Strategy & Service Plan**

4.1 Affordable housing is central to community wellbeing. The actions within the Housing Service Action Plan are consistent with the Council's Corporate Strategy 2020-2025 and strategic priorities to deliver 'good quality housing for all income levels and age groups', 'a sense of responsibility for all of our environment, promoting biodiversity, championing the green economy and protecting our planet', 'effective strategic planning and development management to meet the needs of our communities.'

The project aims to provide seven (6 x 2b 4p / 1 x 3b 5p) modern, energy efficient, and affordable homes; six will be available for those that are in housing need and registered on the Council's housing register and one tenant will return to a refurbished home.

5.1 Resource

##### **Finance**

**Drafted by: Candice Keet, Senior Accountant**

The delivery of seven refurbished homes would be funded through the Major Repairs Reserve. The Council approved budget for Ockford Ridge refurbishment for 2022/23 is £981,000.

The total required for these works now totals £1,765,000. There is therefore a budget shortfall of £784,000.

The Major Repairs Reserve has sufficient balances to cover this additional spend, with a balance of £1.7m. The Major Repairs Reserve is used to fund capital spend on our current dwelling stock and is monitored regularly to ensure balances are sufficient.

Procurement has been undertaken in compliance with the Council's Financial Regulations and Contract Procedure Rules.

As advised above the budget for the project was agreed at full Council in February last year however inflationary pressures and construction cost uplift have impacted on the value for the works costs in the tenders received and additional budget is required to deliver the pilot. Further details including details of the procurement, tender, the Tender Evaluation Report and Appendices, and review of cost estimates can be found at Exempt Annexe 1, 2 and 3.

In consideration of the increase in these costs officers have obtained advice from the Council's consultant employers agent, quantity surveyor and mechanical and electrical consultants on alternative options which have been costed and can be found at Exempt Annexe 4

## **5.2 Risk management**

Risk will be managed in accordance with the Council Risk Management Framework with consideration of the Council's Risk Appetite Statement and risk domains.

The existing Ockford Ridge Regeneration Project risk register will be reviewed as part of the ongoing project management and governance of this project.

## **5.3 Legal**

**Drafted by: Ian Hunt, Interim Deputy Borough Solicitor**

The Council's Legal Services team has already been fully involved with the process linked to the delivery of both the new build and refurbishment projects at Ockford Ridge. Internal and external specialist legal advice has been sought regarding procurement and contract documentation and this will continue as and when required.

## **5.4 Equality, diversity, and inclusion**

There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

## **5.5 Climate emergency declaration**

The deep retrofit pilot project will contribute to the Council's environmental and sustainability objectives and aim to become a net zero-carbon council by 2030 through the delivery of affordable homes which are more sustainable and energy efficient than they are at present.

Design / retrofit

Work has been undertaken with surveyors, mechanical, electrical and sustainability consultants to design, and deliver more sustainable and energy efficient homes and identify carbon off-set opportunities in the materials used for the retrofit.

The use of contractor shortlisting / tender process supports the Council's ambition of being carbon neutral by 2030.

The most economically advantageous tender criteria will be used to enable the Council to take account of the qualitative, technical, and sustainability aspects of the tender as well as price when evaluating and reaching a contract award decision. This included an assessment of responses in relation to minimizing carbon impact on the delivery of this retrofit project with specific references to addressing the environmental impact, through all phases of delivery and management of their supply chain.

Contractors are required to demonstrate areas of innovation that they have developed, or products used and how any contractor work with the council, having regard to the Council's current Employers Requirements.

## **6. Consultation and engagement**

The Resources Overview and Scrutiny Committee scrutinised this report, Ockford Ridge Refurbishment Phase 4 Deep Retrofit – Green Technology Pilot report on 20 February 2023 and made the following recommendations to the Executive:

1. In relation to the data regarding the energy performance of the homes, the Committee wishes to ensure the Council's entitlement to the performance data which may necessitate an agreement be entered into with the tenant. Also, that our tenants will be supported in understanding how to make optimal use of the equipment, undertake maintenance required and otherwise engage with us to ensure we get maximum value for both tenants and the Council.
2. The title of the project is changed to make clear that the majority of the cost (70%) relates to a high-quality refurbishment project with retrofit of green technology as the minority cost (30%).
3. All opportunities for grants be sought on the basis that this is a learning opportunity, and opportunities for shared learning should also be explored.
4. An indication of expected annual CO<sub>2</sub> savings (i.e., current CO<sub>2</sub> output from equivalent dwellings minus expected CO<sub>2</sub> output from the refurbished dwelling (recognising the CO<sub>2</sub> footprint of grid electricity used to power the heat pump)) should be included as well as the expected payback period in years (i.e. the CO<sub>2</sub> emitted in the refurbishment exercise divided by the expected annual CO<sub>2</sub> savings).
5. Greater clarity is needed regarding how much of the cost is for the refurbishment (as opposed to the new technology) and how these refurbishment costs compare with previous refurbishment phases 1 and 3.

In addition, the Committee expressed its concern that only two tender responses were received, of which only one was considered suitable, which casts doubt on the ability to find contractors to scale up this project should funds be available to do so.

## **7. Options considered**

## Do nothing

If no action were taken, we would fail to use our existing assets to their fullest potential and relet properties at a void standard (with kitchen and bathroom replacement) without making use of the opportunity to improve their energy efficiency and internal configuration (e.g., moving the bathroom upstairs to deliver a kitchen breakfast room etc). We would not be fulfilling our aim to regenerate Ockford Ridge through new build and refurbishment or address several the Council's commitments and targets. Due to investigatory work to inform the tender pack there has been some disturbance to the internal fabric of the be properties which would require rectification ahead of relet. It is estimated that this work would cost £15k per property including provision of new kitchen and bathroom. Following this the homes would continue to be maintained through the programme works delivered by Property Services and appointed contractors.

## Dispose of seven Council homes

Disposal of the seven council owned properties would reduce the ability of the Council to meet local housing need and the cost of the replacement of these assets would exceed the budget request for delivery of the deep retrofit – green technology pilot.

## Regeneration – Demolition & new build

Only two of these properties are adjacent to each other, the other homes are either one of a pair of semi-detached homes or part of a terrace where the other homes are privately owned. This option would require the acquisition of property and due to the pepper potted nature of their locations would not be viable to deliver a significant net gain.

## Refurbishment - Deep retrofit – Green Technology Pilot

This option is considered the preferred option as a commitment has already been made to refurbish homes that are owned by the Council and are not part of a site for regeneration at Ockford Ridge and budget has been approved. Previous phases of refurbishment have been undertaken where homes have been reconfigured, new heating (gas boilers), electrics, kitchens and bathrooms, and increased insulation in the loft space. However, this option considers that the retrofit is taken further to contribute to the Council's aim of becoming a net-zero carbon council by 2030 and reducing fuel poverty by removal of the use of fossil fuel gas boilers and replacement with the use of green technology, air source heat pumps and photovoltaic cells. The fabric efficiency of the building will also be enhanced from the outside using external insulation for example KREnd, roof and floor insulation and new A+ rated double glazing with a higher energy performance (conduction heat loss, solar heat gain, and a heat loss through air filtration).

The external insulation system used will consist of several material layers which include insulation material and external render finish which will have limited contribution to fire.

Whilst the property will have improved airtightness when works have been completed, assessments will be undertaken to ensure that adequate ventilation,

either natural or mechanical is in place to mitigate against the risk of mould formation. Contractors will need to comply with all current Building Regulation Approved Document requirements associated with retrofit works and Waverley Building Control will be appointed to ensure compliance.

The appointed contractors and consultants will work with the Council's Housing Development Team to deliver homes that use green technology and enhanced fabric efficiency with the aim to achieve an EPC (Energy Performance Certificate) A or near A rating from a current EPC D rating for existing stock.

To support and evidence the success of this option the following information can be obtained.

- EPC assessment of existing property, based on drawings and specification and at the point of completion
- Data on energy and water usage
- Sample reports on thermography
- Airtightness test
- Carbon reduction assessment
- Post retrofit insitu measurement and monitoring using for example Switchee (in accordance with privacy policy associated with use of equipment and information obtained)
- Post occupancy interviews prior to the end of the defects period

The investment through this deep retrofit option will remove the cost of standard void works at relet, reduce the potential level of responsive repairs and the required programmed works on these homes in the medium term.

Appointed contractors will be required to contribute to the Community Benefit Programme for example mentoring via SATRO at Rodborough School, investment in The Green / Gardening Club or contributing to the delivery of improvements to The Green.

All properties are currently void and surveys with resulting reports and drawings used to secure planning permission and preparation of the tender pack.

Stakeholder engagement would continue through the Ockford Ridge Liaison Group (which includes council officers, Ward Members, and a local resident / Tenants Panel representative), project governance board Ockford Ridge Programme Board, and Housing Delivery Board.

All properties are currently void and surveys with resulting reports and drawings used to secure planning permission and preparation of the tender pack.

Stakeholder engagement would continue through the Ockford Ridge Liaison Group (which includes council officers, Ward Members, and a local resident / Tenants Panel representative), project governance board Ockford Ridge Programme Board, and Housing Delivery Board.

## **9. Governance journey**

A project governance board Ockford Ridge Programme Board is made up of key officers from Housing, Finance, Legal services, Communications, Strategic Director and Executive Head of Regeneration and Planning Policy provide strategic oversight and direction. This governance board reports to the Housing Delivery Board which met on 8 December and members received a verbal update on the progress of this project, procurement outcome and requirement to seek additional budget to facilitate delivery.

**Exempt Annexes:**

Annexe 1 – Ockford Ridge Refurbishment Phase 4 (Deep Retrofit – Green Technology Pilot) Summary – Procurement & budget

Annexe 2 – Tender Evaluation Report and Appendices A1 & A2

Annexe 3 – Ockford Ridge Refurbishment Phase 4 – Cost estimates Jan 22 / 23

Annexe 4 - Ockford Ridge Refurbishment Phase 4 – Costed options summary.

---

**Background Papers**

There are / are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

---

**CONTACT OFFICER:**

Name: Louisa Blundell  
Position: Housing Development Manager  
Telephone: 0148 3523205  
Email: [louisa.blundell@waverley.gov.uk](mailto:louisa.blundell@waverley.gov.uk)

Agreed and signed off by:

Legal Services: Ian Hunt

Finance: Candice Keet

Strategic Director: Annie Righton

Portfolio Holder Housing (Operations): Councillor Rivers