

**Report to the Cabinet**

23 February 2026

**Wards:** All Wards**Authorisation to seek competitive Tenders for the Provision of the Delivery of Loft and Cavity Wall Insulation Including Clearances****Report of the Executive Director of Housing and Communities****Report Status:**

This item is not exempt

This is a key decision. The matter is in the Forward Plan

[0060/25](#)**1. Purpose of the Report and Summary**

- 1.1. The purpose of this report is to seek Cabinet approval to initiate the procurement process for the provision of loft and cavity wall insulation, as well as associated works such as loft clearances and vermin remediation where required.
- 1.2. The estimated total value of the proposed contract is up to £1,800,000, reflecting an anticipated increase in demand for loft insulation works, primarily driven by findings from increasing and ongoing Energy Performance Certificate (EPC) and Stock Condition Surveys across the Council's housing stock. The Council aims to complete approximately 5,800 Stock Condition Surveys annually (this figure is currently under review; with the expectation it will increase) enabling full coverage of its housing stock to be in place well within a four-year period. Preliminary results indicate a significant need for loft insulation top-ups and re-lays, which will contribute to improving the EPC ratings of properties.
- 1.3. This report places tenants' needs at the forefront of service delivery, ensuring that loft and cavity wall insulation works are carried out with a focus on improving the energy efficiency of their homes. These measures will help ensure properties meet legal insulation standards, thereby enhancing comfort, reducing energy costs, and supporting residents' wellbeing.

- 1.4. Kingstown Works Limited (KWL) have historically supported the delivery of this work stream through subcontracting to Heat Insulation Ltd. However, KWL have advised that they no longer wish to continue supporting this area of work. At present, HCC liaises directly with the insulation contractor when arranging property surveys and authorising works based on survey outcomes, and KWL's role has been limited to facilitating the process by raising purchase orders and processing payments on behalf of the Council.
- 1.5. KWL have agreed to continue supporting this work stream on a transitional basis until a new procurement arrangement is in place. This interim support will ensure continuity of service and allow the Council sufficient time to establish a direct contractual relationship with a suitable insulation provider. With the increased throughput of insulation requirements due to the upturn in Stock Condition Surveys being carried out, this has put significant pressure on ensuring orders are being raised in a timely manner to allow works to be completed and this would now be best served with orders being raised directly by HCC.

## **2. Recommendations**

- 2.1. That the Executive Director of Housing and Communities, in consultation with the Assistant Director of Legal Services and Governance, is authorised to undertake the procurement via an Open Tender process. This will cover the delivery of loft and cavity wall insulation works, including associated loft clearances and vermin remediation where necessary.
- 2.2. The contract will be for a period of three years, with the option to extend up to 12 months, subject to need and contractor performance. This timeframe aligns with the Council's ongoing Stock Condition Survey programme.
- 2.3. That the evaluation criteria be set at 60% quality and 40% price. This weighting reflects the Council's commitment to securing insulation services that not only meet technical and regulatory standards but also deliver long-term benefits for tenants and sound customer service. The quality component will assess bidders on factors such as:
  - Technical capability and experience in delivering loft and cavity wall insulation
  - Approach to tenant engagement and minimising disruption during works
  - Health and safety standards
  - Environmental sustainability and compliance with energy efficiency regulations
  - Capacity to deliver vermin remediation and loft clearance services effectively
  - The price component will ensure cost-effectiveness and financial sustainability of the contract.

This balanced approach is designed to secure a contractor who can deliver reliable, high-performing insulation solutions that contribute to improved EPC ratings across the housing stock, enhance tenant comfort, and support the Council's wider carbon reduction and housing quality objectives.

- 2.4. That authority be delegated to the Executive Director of Housing and Communities, in consultation with the Assistant Director of Legal Services and Governance and the Portfolio Holder of Economic Renewal, Housing and Organisational Development to award the contract to the most economically advantageous tender received through the procurement process. Furthermore, authority is granted to agree, at their discretion, to the contract extension outlined in 2.2 above, subject to satisfactory supplier performance and continued alignment with service requirements.

### **3. Reasons for Recommendations**

- 3.1. The proposed procurement of these works is essential to support the Council's strategic objectives around housing quality, energy efficiency, and regulatory compliance. The works will be delivered by HCCs Housing Investment Services, ensuring alignment with existing operational structures and expertise.
- 3.2. The Council is currently undertaking a comprehensive programme of Stock Condition Surveys, with a target of 5,800 surveys per year to assess the full housing stock over a four-year period (under review) Findings from the first year of surveys have already identified a significant need for loft insulation top-ups and re-lays. These measures are critical to improving the E P C ratings of Council-owned properties, in preparation for future regulatory requirements mandating a minimum EPC rating of C by 2030.
- 3.3. The 3-year contract duration, with the option to extend up to 12 months, is recommended to ensure continuity of service and alignment with the survey programme timeline. This will enable the Council to respond effectively to the insulation needs identified through the surveys, while maintaining flexibility to adapt to evolving policy and budgetary considerations.
- 3.4. The use of an Open Tender process will promote transparency, competition, and value for money, while ensuring that the appointed contractor meet the necessary standards for quality, safety, and environmental performance.

### **4. Key Organisational Impacts**

**Impact on other Executive Committees (including Area Committees) and decision makers**

- 4.1. The proposed procurement will support the delivery of housing energy efficiency improvements across all areas of the city. While not directly impacting Area Committees, the outcomes of the insulation programme will contribute to local priorities around housing quality, resident wellbeing, and environmental sustainability.
- 4.2. This will introduce a direct procurement model that removes reliance on KWL for order processing, at their request. This change streamlines operational delivery and enhances responsiveness but does not impose limitations on other decision makers. It does, however, establish a clear policy direction for future insulation works, which may influence budget planning and service commissioning.
- 4.3. The report is relevant to equality as it affects tenants, including those with protected characteristics who may be disproportionately impacted by poor housing conditions and fuel poverty.
- 4.4. Evidence from Stock Condition Surveys and operational feedback has informed the assessment. No adverse effects are anticipated, but disruption during works will be managed sensitively, particularly for vulnerable residents.
- 4.5. Mitigation actions include clear communication, flexible scheduling, and prioritisation of properties with vulnerable occupants. Contractors will be required to adhere to equality, safeguarding, and tenant engagement standards.
- 4.6. The decision advances equality of opportunity by improving housing conditions for all tenants, particularly those in low-income or vulnerable groups. It fosters good relations through inclusive service delivery and proactive engagement.
- 4.7. An Equalities Impact Assessment (EIA) has been completed with confirmation that there will be no requirement for a full EIA.

## **5. Consultation**

- 5.1 Consultation has been undertaken with internal stakeholders including the Housing Investment Services, Warm Homes Team, and the Asset Team. Their input has shaped the scope, duration, and delivery model of the proposed contract. KWL have also been consulted.
- 5.2 Operational teams have emphasised the importance of maintaining direct communication with the appointed contractor, especially for the timely raising of work orders to avoid delays in service delivery. Stakeholder feedback also highlighted the need to align the contract duration with the current four-year survey programme to ensure continuity, responsiveness to emerging needs, and effective planning across the housing portfolio.
- 5.3 Legal Services and Procurement have also been consulted to confirm the appropriateness of the Open Tender route and to ensure compliance with

procurement regulations. The Open Tender process will ensure transparency, competitiveness, and value for money, while enabling the Council to appoint qualified providers capable of delivering high-quality insulation and associated services.

## **6. Background**

- 6.1. The Council initiated its Stock Condition Survey programme in 2024, with the objective of surveying approximately 4,600 properties annually over a five-year period (now revised to 5,800 properties annually over a four-year period, with the intention to reduce the programme to a 3-year programme). This programme provides a detailed and comprehensive assessment of the physical condition and energy performance of the housing stock. The insights gained will inform future investment planning and help ensure that properties continue to meet the Decent Homes Standard.
- 6.2. Initial findings from the first year of surveys have already revealed a significant and widespread need for loft insulation top-ups and re-lays. These measures are critical for improving EPC ratings and reducing energy consumption across the housing stock.
- 6.3. Historically, insulation works have been delivered reactively or as part of broader refurbishment programmes. This approach, while effective in isolated cases, is no longer sufficient to meet the scale of need identified through the surveys. Previously, KWL provided insulation services as part of their general maintenance sub-contracting to Heat Insulation Ltd. However, the demand was significantly lower and manageable within their existing resources. With the increased volume of insulation requirements now emerging, KWL have confirmed that they do not have a dedicated team to manage this specific workstream. As a result, HCC currently liaises directly with Heat Insulation to meet demand and improve delivery efficiency. This interim arrangement highlights the need for a formal, dedicated contract to ensure consistency, quality, and value for money.

## **7. Issues for Consideration**

- 7.1. The above has created operational pressures that cannot be met through existing reactive maintenance arrangements or general refurbishment programmes.
- 7.2. The decision to procure a dedicated contract is further supported by anticipated changes in legislation, which will require all rental properties to achieve a minimum EPC rating of C by 2030. This represents a significant shift from the current minimum rating of E and will require proactive investment in energy efficiency measures. The insulation works identified through the Stock Condition Surveys are a key component of this compliance strategy and will contribute to reducing carbon emissions, tackling fuel poverty, and improving tenant wellbeing.

- 7.3. The proposed procurement has a total estimated contract value of up to £1.8 million, reflecting the scale of insulation works required over the next three to four years. This investment is necessary to meet the increased demand identified through the Stock Condition Survey programme and to ensure the Council's housing stock complies with future energy efficiency regulations.
- 7.4. The proposed contract will be funded through existing Capital Budgets, with ongoing monitoring to ensure value for money and alignment with strategic priorities. The procurement process will also include financial evaluation criteria to ensure the appointed contractor can deliver within budget and meet performance expectations.

## **8. Options and Risk Assessment**

### **8.1. Option 1 – Do Nothing**

This option would involve continuing with the current ad hoc arrangements, relying on KWL's transitional support and informal liaison with Heat Insulation Ltd.

#### **Risks:**

- Inability to meet the growing demand identified through the Stock Condition Survey programme.
- Failure to comply with future EPC regulatory requirements (minimum rating of C by 2030).
- Missed opportunity to improve tenant wellbeing, reduce fuel poverty, and contribute to carbon reduction targets.

This option is not recommended as it would compromise the Council's ability to meet strategic housing, environmental, and regulatory objectives.

### **8.2. Option 2 – Procure via Framework Agreement**

This option would involve using an existing framework to source insulation works.

#### **Risks:**

- **Associated Fees:** Using the framework would incur additional costs, reducing overall value for money.
- **Subcontracting and Mark-Ups:** The companies listed under the insulation lot are predominantly large firms acting as Principal Contractors. They are highly likely to subcontract these works (similar to KWL), which would introduce extra layers of mark-up on rates.
- **Non-Local Suppliers:** The listed companies are not local, which could lead to longer lead times, reduced responsiveness, and less support for the local economy.
- **Limited Direct Control:** Reliance on framework contractors may reduce flexibility and control over delivery standards and timelines.

- **Potential Misalignment with Strategic Goals:** Framework suppliers may prioritize their own commercial interests over the Council’s objectives, impacting cost efficiency and delivery performance.

This option is not recommended due to additional fees, subcontracting risks, inflated costs, and lack of local supplier engagement.

### 8.3. Option 3 – Undertake an Open Tender to Procure a Dedicated Insulation Contractor (Recommended Option)

This option involves initiating a formal Open Tender process to procure a contractor for the delivery of loft and cavity wall insulation, including associated works such as loft clearances and vermin remediation.

#### **Benefits:**

- Ensures a structured, scalable, and cost-effective approach to meeting insulation needs.
- Supports delivery of the Council’s housing, sustainability, and carbon reduction objectives.
- Enables direct engagement with the contractor, improving responsiveness and operational efficiency.
- Aligns with procurement regulations and promotes transparency and value for money.
- Encourages local labour and supply chains, boosting jobs and community investment while cutting transport-related emissions.
- Supports long-term planning and continuity of service in line with the four-year Stock Condition Survey programme.

#### **Risks:**

- **High Volume of Bids:** Open tendering attracts many bidders, including inexperienced or unsuitable contractors. This is mitigated through the experience of those involved in the tender evaluation and overall procurement campaign. Understanding the scoring weighting and key deliverables that set tenders apart is something that the tender panel are all aligned on to efficiently evaluate between bids.
- **Unrealistic Pricing:** Open tenders often attract “wildcard” bidders who submit very low prices to win contracts, increasing the risk of poor quality or contractor insolvency mid-project. This is mitigated through a robust tender evaluation process prior to appointment.
- **Ambiguous Contract Terms:** Poorly drafted tender conditions or disclaimers can lead to disputes and litigation. This is mitigated by having a clear, detailed procurement tender pack and conducting a thorough procurement campaign, ensuring that expectations are set from the client to potential contractors.

**Conclusion:**

This option is **recommended** as it provides the most effective, compliant, and strategic route to delivering the required insulation works at scale, while supporting the Council's wider objectives.

**9. Comments of the Monitoring Officer (Assistant Director of Legal Services & Governance)**

The proposed procurement route is supported. The value of the contract is below the threshold value for works under the Procurement Act 2023 but an Open Tender Exercise will ensure the winning bidder represents value for money and allows the Council to examine their financial and technical suitability prior to award to mitigate risks. The proposed open tender is also compliant with the Council's Contract Procedure Rules [SH].

**10. Comments of the Section 151 Officer (Executive Director of Corporate Resources)**

The Executive Director of Corporate Resources (s151) notes the decision to initiate this procurement process and confirms resources are available in the HRA capital programme. SC.

**11. Comments of the Assistant Director OD & HR and compliance with the Equality Duty**

The content of the report is noted. There are no staffing or equality matters arising for the council from this decision. KH

**12. Comments of Overview and Scrutiny**

This report will be considered by the Communities Overview and Scrutiny Commission. Any comments or recommendations agreed by the Commission, will be submitted to Cabinet, for consideration alongside the final report. (Sc9088 – AS)

**13. Comments of the Portfolio Holder for Economic Renewal, Housing and Organisational Development**

I support the recommended decision as it's important the Council continues on its journey to ensure all its tenants are living in homes that are as warm and energy efficient as possible so that they are comfortable to live in and also meet decent home standards. (PF1102)

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No.:

Officer Interests: None

Background Documents: -

## Implications Matrix

**This section must be completed and you must ensure that you have fully considered all potential implications**

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Director/Assistant Director	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	No
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	Yes

I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	N/A
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	N/A
I have considered how the decision may contribute or impact on culture and heritage within the city.	N/A
I have included information about how this report contributes to the Community Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	N/A