

**EAST AYRSHIRE COUNCIL**  
**HOUSING COMMITTEE - 8 NOVEMBER 2000**  
**BRITISH GAS TRADING - ENERGY EFFICIENCY STANDARDS OF**  
**PERFORMANCE,**  
**SOCIAL HOUSING PROGRAMME**

**Report by the Director of Homes and Technical Services**

**1. PURPOSE OF REPORT**

- 1.1 To advise members of the availability of grant funding by British Gas Trading, and to seek authority to enter into extended Contractual arrangements which are required to secure the available grant funding.

**2. BACKGROUND**

- 2.1 Through its social housing programme, British Gas Trading are in the market to purchase credits for energy saving works previously or currently being undertaken by local authorities up until the end of this calendar year.
- 2.2 East Ayrshire Council have made application and subject to agreement to the conditions associated with the offer, (see attached Appendix A) a sum of £70,000 has been offered along with the opportunity to apply for a further £10,000.
- 2.3 The grant arrangements relate to work undertaken between 1 st April 2000 and September 30th 2000 (period 1) and between 1St October 2000 and 31St December 2000 (period 2).

**3. GRANT INCOME - EFFECT UPON CAPITAL EXPENDITURE**

- 3.1 The application for grant funding from British Gas Trading was based upon the Cavity Wall Insulation work being carried out under the Housing Capital Programme, both phases having been won in competitive tender, by Miller-Pattison Ltd
- 3.2 The detail of the bid was based upon an estimated expenditure of £140,000.00 for the period 15t April to 30'h September 2000, with a further estimated expenditure of £20,000.00 for the period 1St October to 31 St December, 2000.
- 3.3 The grant award documentation has indicated a firm approval of 50% of expenditure for the period 1St April to 30'h September 2000, with an agreement in principle towards 50% of likely expenditure for the period 1St October 2000 to 31St December 2000, subject to funding by British Gas Trading being available.
- 3.4 Expenditure figures for the first period are known, and estimated figures are projected for the second period, as follows:

	<b>Total</b>	<b>Grant Award (50%)</b>	<b>Status</b>
(a) Period 1 (1 April-31 Sept)	£146,339.19	£73,169.60	Firm award
(b) Period 2 (1 Oct - 31 Dec)	£22,194.22	£11,097.11	* Award subject to *available funding.
		£84,266.71	

Should the grant award for Periods 1 & 2 both be successful then the Capital expenditure within the budgetary heading will be underspent by the amount of £84,266.71. In order to restore this deficit it will be necessary to commit further cavity wall insulation works, either by extension to the existing contracts with Miller Pattison Ltd or alternatively by fresh competitive tendering.

#### **4. PROCUREMENT OF ADDITIONAL CAPITAL WORKS**

- 4.1 It is recommended, given the very competitive rates submitted by Miller Pattison Ltd. at the time of tendering the existing phases, that these phases be extended to restore the potential underspend of £84,266.71, subject to an overall price being satisfactorily negotiated, based upon the original tendered rates and conditions, and assurances being received from Miller Pattison Ltd that they have the capacity to complete the additional works within the current financial year.
- 4.2 Should negotiations fail however, it will be necessary to put the additional works to tender, with the ensuing increased pressure upon timescales for completion of the works.
- 4.3 The Council's Financial Regulations require Committee Approval to extend any existing Contract.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 As detailed within this report.

#### **6. LEGAL/POLICY IMPLICATIONS**

- 6.1 None

#### **7. RECOMMENDATION**

- 7.1 It is recommended that:
- (i) Members approve the pursuance of grant funding to support expenditure upon Cavity Wall Insulation projects from British Gas Trading.
  - (ii) Members approve the extension of existing contracts with Miller Pattison Ltd. to make up the potential Capital Expenditure Deficit of £84,266.71.

James Lavery  
Director of Homes and Technical Services  
7 November 2000

#### **LIST OF BACKGROUND PAPERS**

**NIL**

For further information please contact James Lavery, Director of Homes and Technical Services on 01563 554876.

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**AGENDA**