

Bolsover District Council

Meeting of the Executive on 9th September 2024

**Update on Phase 1 and Phase 2 of the Retrofit Skills Project
and the Local Area Retrofit Accelerator**

Report of the Portfolio Holder for Growth

Classification	This report is Public
Report By	Chris Fridlington Director: Devolution & Development

PURPOSE OF REPORT

The purpose of this report is to update members on Phase 1 and Phase 2 of a Retrofit Skills pilot funded by the Department of Energy Security and Net Zero (DESNZ) through the Midlands Net Zero Hub and the Local Area Retrofit Accelerator funded by the MCS Foundation.

This work builds on previous work identifying the need to provide more opportunities for people living and working in the District to gain skills to ensure our local workforce is not left behind in the transition to net zero and is better able to obtain higher skilled, higher paid jobs.

The report proposes (i) acceptance of funding from DESNZ; (ii) approval of revenue spend over £75,000; (iii) approval for five separate exemptions from the Contract Procedure Rules; and (iv) acceptance of supported funding from the MCS Foundation for the Local Authority Retrofit Accelerator.

REPORT DETAILS

1. Background

- 1.1 In 2021, Nottingham Trent University (NTU) were commissioned by the Council to complete a study into the employment and skills opportunities associated with the then UK Government's stated commitment to achieving 'net zero' by 2050.
- 1.2 This study identified that there is more work required to achieve net zero – for example, by decarbonisation of housing stock through retrofitting (including replacing gas boilers with heat pumps) than there are people with the relevant 'green skills' to carry out this work.
- 1.3 This skills gap is an issue across the country but the NTU study found that Bolsover District was at particular risk of being 'left behind' but suggested a number of ways the Council could support the local workforce and more young

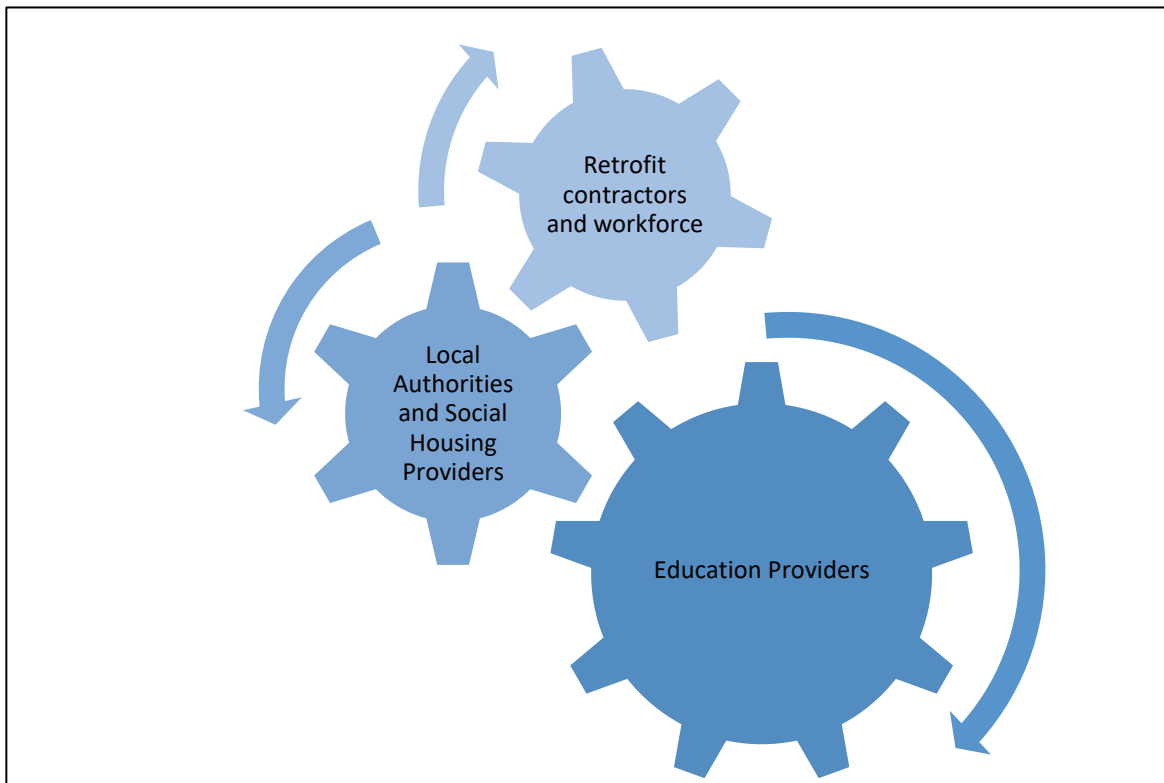
people to access training and apprenticeships to gain the qualifications and accreditations needed to be better able to take higher paid, higher skilled 'green jobs'.

- 1.4 In 2023, Rider Levett Bucknall (RLB) were commissioned to carry out a further study building on the finding and recommendations made by NTU and this study was paid for by funding from the UK Shared Prosperity Fund. One of the key purposes of the study was to explore the feasibility of a skills hub for the District to improve educational attainment and 'up skill' the existing workforce.
- 1.5 RLB engaged with a wide range of stakeholders from in and around the local area including the local colleges, students, local employers and various partner organisations ranging from D2N2 and the East Midlands Chambers to DEBP and BCVS to complete this study.
- 1.6 Amongst other things, this study found that a 'skills hub' would benefit the District not least through making relevant courses much more accessible but also by providing a 'one stop' shop for information about 'going green' and 'green skills' in the District for householders and businesses, students and education suppliers, and employers and employees wanting to reskill.
- 1.7 However, the RLB report also recommended on focussing on one of the many strands of green skills and green jobs and this coincided with the launch of Phase 1 of the Retrofit Skills Pilot.
- 1.8 In short, 'retrofit skills' are the skills, accreditations and qualifications needed to move from fossil fuels to low carbon fuels for powering our homes and businesses. It includes a vast range of skills from fitting cavity wall insulation, to installing heat pumps and solar panels. For context, Historic England estimate that the UK will need 23,000 employees per year to retrofit the 19 million poorest performing houses.
- 1.9 Therefore, the Retrofit Skills Pilot aligned with the recommendations made in the previous studies and could result in significant benefits for the local economy and the local workforce because it offered funding from the Department of Energy Security and Net Zero (DESNZ) to complete a roadmap for action to develop retrofit skills provision in the District.
- 1.10 The work on Phase 1 of the Pilot was completed in the early part of 2024 on behalf of the Midlands Net Zero Hub through this Council as lead partner of a consortium including Nottinghamshire and Derbyshire County Councils, NTU and the University of Derby, Vision West Nottinghamshire and Chesterfield Colleges, Dragonfly Development and RLB.
- 1.11 Subsequently, this work was combined with work undertaken by Birmingham City Council and East Lindsay District Council to create a roadmap for the entire area covered by the Midlands Net Zero Hub that having now been agreed by DESNZ forms the basis for Phase 2 of the Retrofit Skills Pilot, which has been disaggregated back into actions to be taken separately by each of the three authorities.

- 1.12 The next section of this report provides further details of Phase 2 of the Pilot from a Bolsover perspective and how the Council working in partnership with others will trial a number of pilot activities in the local area, which if they were to be successful, will not only accelerate delivery of skills training across the District but could also be scaled and replicated across the footprint of the East Midlands Combined County Authority (EMMCCA).

2. Details of Proposal

Phase 2 of the Retrofit Skills Pilot



- 2.1 Building on the finding on the previous NTU and RLB reports, Phase 1 of the Retrofit Skills Pilot identified that three key groups involved in retrofit, namely employers, educators and local authorities, were often working independently of each other resulting in a 'boom and bust' industry that benefitted no sector.
- 2.2 Therefore, the activities included in Phase 2 of the Retrofit Skills Pilot are organised around these sectors using a 'whole systems approach' seeking to address the issues raised in the previous studies and Phase 1 of the Pilot.

Education Sector

- 2.3 Naturally, the education sector has an important - if not critical role to play in addressing the skills gap within the 'green skills' sector and in this District, it is especially important to engage with this sector to up skill the existing workforce and ensure more of our young people leave education with the qualifications that will allow them to get higher skilled, higher paid jobs and provide them with better career opportunities.

- 2.4 The Council's ambition is to improve opportunities for training and education in 'green skills' from Level 2 (CSE) through to Level 8 (PhD). Therefore, Phase 2 of the Pilot includes activities involving the District's schools, and our local colleges and universities.
- 2.5 The Universities of Derby and NTU, and Chesterfield, Rotherham and North Nottinghamshire, and Vision West Nottinghamshire Colleges will receive grant funding to pay for training rigs and/or staff training provided by local suppliers (NAPIT and Eastgate).
- 2.6 The grants will be administered by the Council on behalf of Midlands Net Zero Hub with funding from DESNZ and the education suppliers will procure the equipment and/or training direct from the suppliers.
- 2.7 The purpose of these activities is to ensure that our local further and higher education facilities have the right equipment and skills to deliver appropriate and relevant retrofit skills training.
- 2.8 In addition, NTU will identify and map out all the 'green skills' courses and their different suppliers currently being delivered in the region and convene an education forum to foster a collaborative approach to co-ordinating provision to address any existing gaps and provide a more coherent and accessible offer to students, employers and employees.
- 2.9 This work will be funded by DEZNZ and procured by the Council on behalf of the Midlands Net Zero Hub via a direct award as an exemption to the Council's Contract Procedure Award under Article 4.8.4 (1) (e) of the Constitution.
- 2.10 This exemption applies in this case because the contract relates to commissioning of projects funded by external grant where there is no (or insufficient) marketplace to tender for the supply of goods, services or works required.

Careers Advice

- 2.11 An additional issue raised in the two studies and even more prominently raised in Phase 1 of the Pilot was the lack of awareness of 'green skills' and the opportunities for higher paid jobs and good careers in the 'green sector' amongst young people.
- 2.12 Therefore, a further activity in the education sector was the creation of marketing materials to explain to young people in secondary school what green jobs and green skills are and training for careers advisors to raise the profile of career opportunities in the green sector to promote and encourage take up of relevant courses in higher and further education to boost the number of people leaving education for work with the right skills needed by employers or for self-employment.
- 2.13 This work is being supported by DEBP (Direct Education Business Partnership CIO) who will be procured by the Council on behalf of the Midlands Net Zero Hub with funding from DESNZ via a direct award of the contract made as an

exemption to the Council's Contract Procedure Award under Article 4.8.4 (1) (e) of the Constitution.

- 2.14 This exemption applies in this case because the contract relates to commissioning of projects funded by external grant where there is no (or insufficient) marketplace to tender for the supply of goods, services or works required.

Employers

- 2.15 In Phases 1 and 2 of the Retrofit Skills Pilot, the term 'employers' is used to describe all the businesses involved in retrofit or those that could become more involved in some capacity with some support including suppliers, contractors, small and medium enterprises, self-employed tradesmen and women, micro-businesses and larger companies and supporting representative or trade bodies or organisations such as the CITB or CIOB and the East Midlands Chambers.
- 2.16 The East Midlands Chambers have also been heavily involved in the green skills study undertaken by RLB, convening two employer forums, and then supporting NTU in delivering two 'all hands' forums in Phase 1 of the Pilot earlier this year.
- 2.17 In Phase 2 of the Pilot, the Chambers will be procured by the Council on behalf of the Midlands Net Zero Hub with funding from DESNZ to scope and launch what will become a regional Retrofit Skills Employer Network. The aim is to hold quarterly forums in different venues where funding has been received from the Pilot over the next two years.
- 2.18 The purpose of these activities is to work with employers to identify barriers to growing and developing businesses in this sector, which includes barriers to skill training, closing the skills gap, and consistency of work volumes coming to the market, and ensuring our local businesses and the supply chain are best placed to take the opportunities that will come with any future investment in decarbonisation and retrofit in the District.
- 2.19 In addition, this work is intended to ensure local businesses are also able to supply to and work on current and future projects that require green skills such as building homes to 'future homes' standard, the installation of solar and electric charging points, the construction of heat networks, amongst other things, where at present this type of work often goes to contractors from outside of the local area.
- 2.20 The Chambers will be procured by the Council to carry out this work on behalf of the Midlands Net Zero Hub with funding from DESNZ via a direct award of the contract made as an exemption to the Council's Contract Procedure Award under Article 4.8.4 (1) (e) of the Constitution.
- 2.21 This exemption applies in this case because the contract relates to commissioning of projects funded by external grant where there is no (or insufficient) marketplace to tender for the supply of goods, services or works required.

Local Authorities

- 2.22 Local authorities along with registered social housing providers also have a key role to play in developing the market for retrofit, and supporting employers and education suppliers to grow the local economy and boost skills and employment in this sector as well as grow their own businesses and/or develop their own role in this sector.
- 2.23 In summary, retrofit at a scale that makes it viable and feasible for many private contractors is mostly commissioned by local authorities, and their associated arms-length management organisations or independent registered social housing providers. These organisations are also normally eligible for Government funding for retrofitting their existing stock when it become available.
- 2.24 Consequently, the way these organisations develop their pipelines of work, plan their retrofit projects, manage their funding applications and procure the subsequent contracts will make a significant difference to the local supply chain and the local economy.
- 2.25 Therefore, bringing together local authorities to work together to improve their processes, remove barriers and support collaboration and coordination across the system is an important piece of work that will be co-ordinated by the Local Authority Energy Partnership and RLB in the first instance, and it is recognised that the Local Authority Energy Partnership have given their time and resource to the project at no cost.
- 2.26 In addition to this work, Elmhurst Energy will be procured to deliver training for several staff working for Dragonfly Management (Bolsover) Ltd starting with Domestic Energy Advisor accreditation and moving on to PAS2035 accreditation (retrofit assessor and co-ordinator). Elmhurst Energy are the UK's largest independent provider of energy assessment, retrofit and property professional training, software and accreditation.
- 2.27 The purpose of this work is to assist the Council (through Dragonfly Management Bolsover Limited) to become a 'better client' by better understanding the end-to-end process of retrofitting existing stock from an 'outsider's perspective' and if this is successful, this approach will be able to be replicated in other Councils to reduce the prospects of failure to procure, improve return of social value, improve contract management and performance, and better help businesses thrive in this sector across the District and the wider region.
- 2.28 This training will also help Dragonfly Management support placement students from local colleges and universities including T-Level students from Chesterfield and Vision West Nottinghamshire Colleges. Again, if this proves to be successful, it can be replicated to support both employers and education suppliers address the existing skills gaps and enhance the students' learning and experience of work.
- 2.29 This training will be procured by the Council on behalf of the Midlands Net Zero Hub with funding from DESNZ via a direct award of the contract made as an exemption to the Council's Contract Procedure Award under Article 4.8.4 (1) (d) of the Constitution.

- 2.30 This exemption is being relied on because the contract is for the execution of work or the supply of goods or services to be required so urgently as to preclude the invitation of tenders i.e. it is a condition of DESNZ (the funding body) that this training is completed by 30 September 2024 to be eligible for the funding for Phase 2 of the Pilot.

Project Management

- 2.31 The project activities noted in the above sections of this report are summarised in the table (overleaf) and are currently being project managed 'at risk' by RLB.

Sector	Partners	Actions
Education	University of Derby, Nottingham Trent University, Rotherham and North Notts Group (Worksop College), Chesterfield College, Vison West Nottinghamshire College (Mansfield and Sutton in Ashfield)	Training For Staff Purchase of Training Rigs (Solar PV & Heat Pumps) Development of an EMCCA Retrofit Educators Forum
Careers Advice	DEBP Direct Education Business Partnership	Development of careers material and sessions for teachers, college staff. Support to EMCCA careers advisors
Employers	East Midlands Chamber	Development of an Employers Forum to bring together Employers and Local Authorities
Local Authorities	Local Authority Energy Partnership (Derbyshire County Council).	Workshops for Local Authority officers to support Retrofit employers and educators

- 2.32 As noted in earlier sections of the report, RLB were procured by the Council to complete a 'green skills' study for the District and were actively involved in Phase 1 of the Pilot as a partner organisation.
- 2.33 Subsequently, RLB have worked with officers to negotiate the details of Phase 2 of the Pilot with Midlands Net Zero Hub Hub and DESNZ and this work has resulted in an award of up to £242,000 of funding from DESNZ to pay for the range of activities set out in this report and RLB's own work including project management, report writing and working with DEBP creating consumables such as marketing materials for the careers advisors.
- 2.34 From the funding awarded to the Council, RLB will receive up to £69,464.50 in fees subject to sign off from the Midlands Net Zero Hub and the Council that all activities agreed with DESNZ have been completed satisfactorily. In addition to this, additional funding will be provided to pay for the work RLB are carrying out for the Midlands Energy Zero Hub on the parts of Phase 2 of the Pilot that are being undertaken by Birmingham City Council and East Lindsey District Council in their respective local areas.

- 2.35 This means that the total 'contract value' for the work RLB are carrying out on Phase 2 of the Pilot amounts to £130,087.50.
- 2.36 Therefore, this report seeks approval to enter into this contract because of its value and for an exemption to the Contract Procedure Rules to formally procure RLB's services on behalf of the Midlands Net Zero Hub with funding from DESNZ via a direct award.
- 2.37 The relevant exemption is under Article 4.8.4 (1) (c) of the Constitution because the work to be executed or the goods or services to be supplied constitute an extension to an existing contract with particular regard to the work RLB carried out on Phase 1 of the Pilot and in the interim negotiations and it would not be in the interests of the service or the Council to tender the contract also taking into account the contract is for the execution of work or the supply of goods or services to be required so urgently as to preclude the invitation of tenders.

Local Area Retrofit Accelerator

- 2.38 As the Council was leading on Phase 1 of the Retrofit Skills Pilot and that project was nearing completion, a further opportunity arose to apply for support from the MCS Foundation to create a regional retrofit roadmap. This support would include a series of paid for workshops that would help to facilitate and enable retrofitting existing housing stock at pace and at volume.
- 2.39 This project has been branded as the Local Area Retrofit Accelerator (LARA) and it would build on the retrofit skills work completed in Phases 1 and 2 of the Pilot and extend that work by looking at other barriers to retrofit including the stop / start nature of funding, for example.
- 2.40 In partnership with Nottinghamshire County Council, the Council submitted a successful application that was supported by every single local authority within EMMCCA's administrative boundary, partners from the original Phase 1 and subsequent Phase 2 Pilots, and a range of other external stakeholders. Therefore, this project will also be another regional project that the Council will be leading on and another opportunity to build stronger and deeper relationships with key partner organisations and local businesses.
- 2.41 The workshops will commence in January 2025 and one of the purposes of this work is to create a regional plan that can be presented to the combined authority to help guide and influence future funding and investment decisions. Taking into account the involvement of all four constituent Councils, and all the region's Districts and Boroughs it is also hoped that this plan will be adopted by the Mayor.
- 2.42 Nonetheless, the LARA project will help to extend the momentum of the activities undertaken in Phases 1 and 2 of the Retrofit Skills Pilot, it will continue to raise the profile of the Council across the region, and it will put the Council in a good place to bring in further investment into the District and promote and encourage the growth of good jobs within a thriving local economy in this sector.

3. Reasons for Recommendation

- 3.1 In conclusion, the Council's work on retrofit skills has therefore been and will increasingly be of local and regional significance. This work can only continue as proposed and at pace with the support of external funding.
- 3.2 The work is of significance because of the challenges every Council faces retrofitting its own housing stock and the need to decarbonise our existing housing stock to achieve net zero. These projects aim to deliver actionable solutions that address these challenges.
- 3.3 In addition, the work is of significance because the quicker we can improve the energy efficiency of our housing stock through accelerating delivery of retrofit solutions, the quicker more of our most vulnerable residents will live in a house that is more likely to be free of damp, less draughty and cheaper to keep warm.
- 3.4 The work is also of significance because of the potential impact of substantial inward investment for retrofit for the local economy and local supply chain. This investment could be guided by the Local Area Energy Planning, subject of a separate report and due for adoption by the combined authority next year.
- 3.5 Decarbonisation of existing housing stock is already a priority for the new Government and the combined authority and the District needs to be investment ready to take advantage of any funding that becomes available from the Government or the Mayor in any event.
- 3.6 Retrofit skills are also the same skills that the local workforce and local businesses will need to get involved with projects like construction of heat networks goes ahead in the District if the mine water demonstrator project (also subject of a separate report) is successful, for example, in the construction of other large renewable energy projects or in the construction of new homes that will need to be to the 'future homes' standard.
- 3.7 Therefore, the projects in this report are closely aligned with the Council's own ambitions to drive the local economy, maximise opportunities arising from the combined authority and create the right conditions to make the District and the people who live and work here more prosperous.
- 3.8 The projects in this report are also closely linked to making the business case for a skills hub that has been included in the list of regeneration projects. In particular, this work is aimed at ensuring it would be a viable proposition if it were to go ahead and as importantly, work towards the Council's ambitions to improve educational attainment in the District and create more opportunities for more of our residents to find employment and gain careers in better jobs, with higher skills and higher wages.
- 3.9 Finally, the projects have been progressed to the point they are now ready to go, which means there is a very limited risk of failure to deliver on the requirements of the funding bodies but there is a residual corporate risk of reputational damage if the Council decided to withdraw at this late stage after showing purposeful leadership in this area and driving these initiatives forward across the region over several years.

3.10 Consequently, it is considered that there are very good reasons for the Executive to accept the recommendations made in this report especially when taking into account that aside from the original investment in the NTU report and officer time, this is all being achieved with no direct cost to the Council.

4 Alternative Options and Reasons for Rejection

4.1 The option to refuse the funding offers was rejected because significant progress has been made on retrofit skills and the funding is required to continue this work.

4.2 The option to discontinue the retrofit skills projects was rejected because of the significance of this work in relation to the Council's own aims and objectives, and its wider significance in terms of decarbonisation of housing stock and commercial property, the impact on the local economy, and the boost to employment and skills opportunities within the District.

4.3 The option to go out to tender where exemptions have been sought was rejected because of the urgency of the requirements for the relevant goods or services, or there has been a continuation of existing contracted works and where a direct award is to be made, the contractor is able to meet the requirements of the funding body, and can complete the works in an appropriate time frame and cost envelope.

RECOMMENDATION(S)

1. Executive accepts the funding DESNZ
2. Executive approves the procurement of :
 - Nottingham Trent University to provide the services as set out in paragraph 2.8 of this report
 - Direct Education Business Partnership CIO to provide the services as set out in paragraph 2.12 of this report
 - East Midlands Chambers to provide the services as set out in paragraph 2.17 of this report
 - Elmhurst Energy Systems Limited to provide the services set out in paragraph 2.26 of this report; and
 - RLB to project manage Phase 2 of the Retrofit Skills Pilot.
3. Executive accept the supported funding for the Local Area Retrofit Accelerator

Approved by Councillor Cllr Ritchie Portfolio Holder for Growth

IMPLICATIONS:

Finance and Risk: Yes No

Details:

Expenditure arising from this report will all be funded by income received from external sources.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

All of the contracts referred to in this report are to be awarded using the exemption at part 4.8.4 of the Contract Procurement Rules.

On behalf of the Solicitor to the Council

Environment: Yes No

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details: The project will develop Retrofit locally and therefore support businesses delivering our Net Zero objectives. It will also raise knowledge of environmental issues amongst businesses and students/pupils helping reduce the areas carbon emissions.

Staffing: Yes No

Details:

There are no staffing implications

On behalf of the Head of Paid Service

DECISION INFORMATION

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	Yes
Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i>	Yes

District Wards Significantly Affected All	(please state which wards or state All if all wards are affected)
Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details:

Links to Council Ambition: Customers, Economy and Environment.

This project supports students/pupils from Bolsover working towards Retrofit Skills. It will also increase the level of skills within business making staff more employable. Supports the environmental knowledge of BDC businesses and residents. Supports Dragonfly to deliver retrofit projects reducing the areas carbon emissions.

DOCUMENT INFORMATION

Appendix No	Title

Background Papers

(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).

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