

Greater Manchester Combined Authority

Date: 28 March 2025

Subject: Net Zero Housing Retrofit Framework Agreement

Report of: Councillor Tom Ross, Portfolio Lead for Green City Region and
Sue Johnson, Portfolio Lead Chief Executive for the Greater Manchester
Green City Region

Purpose of Report

To provide information on the procurement of a GMCA led £1 billion national Net Zero Housing Retrofit Framework Agreement. The Framework Agreement provides a Public Procurement Regulations compliant route to market for Local Authorities and Social Housing Providers, amongst others, to procure energy efficiency and low carbon heating retrofitting measures in social and private sector housing.

Recommendations

The GMCA is requested to:

1. Note the creation of a Net Zero Housing Retrofit Framework Agreement and promote its use.
2. Note that the sustainability assessment identified numerous long term positive impacts on health, wellbeing, jobs and skills as well as carbon reduction through the increase in home energy efficiency and reduction in fuel poverty.

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SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

Equalities Impact, Carbon, and Sustainability Assessment:

Recommendation - Key points for decision-makers

Note the numerous long term significant positive impacts on health and wellbeing, jobs and skills, and carbon reduction through an increase in home energy efficiency and a reduction in fuel poverty.

Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	Positive impact on the health and wellbeing of younger children, older people, disabled people and pregnant women. Positive impact on the health and wellbeing of socially and economically disadvantaged people, such as those living in fuel poverty. Positive impact on local people's access to grants for improving home energy efficiency.
Health	G	Positive impact on the physical health of Greater Manchester residents by reducing cold homes and fuel poverty through improved home energy efficiency. Positive impact on the mental health and wellbeing of Greater Manchester residents by reducing cold homes and fuel poverty through improved home energy efficiency. Positive impact on the levels of social isolation of Greater Manchester residents by reducing cold homes and fuel poverty through improved home energy efficiency.
Resilience and Adaptation	G	Positive impact on the climate risk in Greater Manchester by reducing carbon emissions through improved home energy efficiency. Positive impact on enabling individuals to better withstand and recover more quickly and effectively from disruption by increasing disposable incomes through reduced fuel poverty. Positive impact on reducing current levels of vulnerability both for people by increasing disposable incomes and improving health and wellbeing through reduced fuel poverty; and the environment by reducing carbon emissions through improved home energy efficiency.
Housing	G	Positive impact on people who are experiencing or at risk of any form of homelessness by increasing disposable incomes through reduced fuel poverty. Positive impact on the accessibility and affordability of homes for Greater Manchester residents by increasing disposable incomes through reduced fuel poverty. Facilitate maintenance and improvement of existing residential buildings through improved home energy efficiency. Assist landlords in complying with regulations on Minimum Energy Efficiency Standards through improved home energy efficiency.
Economy	G	Positive impact on contributing to improving economic development in Greater Manchester by providing income to suppliers, installers, and consultants of home energy efficiency measures. Positive impact on increasing employment opportunities for local people in installing home energy efficiency measures. Positive impact on creating, retaining, and attracting 'good jobs' with support available for people to progress and develop green skills in installing home energy efficiency measures. Positive impact on innovation, R&D, and the knowledge economy in Greater Manchester by developing new methods to target and install home energy efficiency measures. Positive impact on attracting inward investment in our towns and cities from grant funding for energy efficiency measures. Positive impact on increasing opportunities for formal education, vocational training, and skills development (including lifelong and community learning) in installing energy efficiency measures.
Mobility and Connectivity		
Carbon, Nature and Environment	G	Positive impact on local air quality by reducing public levels of exposure to oxides of nitrogen (NOx), volatile organic compounds (VOCs), and particulate matter (PM10 & PM2.5) by replacing gas, oil, and other fossil fuel heating systems with low carbon alternatives, such as heat pumps. Positive impact on the visual amenity of the environment by installing External Wall Insulation, windows, and doors. Positive impact on efforts to reduce carbon emissions across Greater Manchester through the installation of home energy efficiency measures.
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		This proposal contributes to achieving the Greater Manchester Carbon Neutral 2038 target by reducing carbon emissions through the installation of home energy efficiency measures.
Further Assessment(s):	Equalities Impact Assessment and Carbon Assessment	
G Positive impacts overall, whether long or short term.	A Mix of positive and negative impacts. Trade-offs to consider.	R Mostly negative, with at least one positive aspect. Trade-offs to consider.
		RR Negative impacts overall.

Carbon Assessment

Overall Score				
Buildings	Result	Justification/Mitigation		
New Build residential	N/A			
Residential building(s) renovation/maintenance		Homes in EPC band D or below will be improved to EPC band C or above. Gas, oil, and other fossil fuel heating systems will be replaced with low carbon alternatives, such as heat pumps. The selection of building materials with low life cycle (embodied) carbon emissions will be encouraged. The building fabric of homes will be improved through insulation. A fabric first approach will be taken to retrofitting homes. Renewable energy generation, such as Solar Photovoltaics, will be provided to homes.		
New build non-residential (including public) buildings	N/A			
Transport				
Active travel and public transport	N/A			
Roads, Parking and Vehicle Access	N/A			
Access to amenities	N/A			
Vehicle procurement	N/A			
Land Use				
Land use	N/A			
No associated carbon impacts expected.	High standard in terms of practice and awareness on carbon.	Mostly best practice with a good level of awareness on carbon.	Partially meets best practice/ awareness, significant room to improve.	Not best practice and/ or insufficient awareness of carbon impacts.

Risk Management

The Framework Agreement has been drafted by the GMCA's Legal Team in consultation with Procurement Team. The specifications have been drafted by retrofit experts in consultation with the Local Net Zero Hubs to ensure compliance with the relevant standards.

Legal Considerations

The Framework Agreement provides a Public Procurement Regulations compliant route to market for Local Authorities and Social Housing Providers (amongst others).

Financial Consequences – Revenue

The GMCA will receive a fee income of 1% of the value of contracts called-off the Framework Agreement which will be used to cover its staffing and administration costs.

Financial Consequences – Capital

Contracts called-off the Framework Agreement will result in capital spend by Contracting Authorities from their own budgets.

Number of attachments to the report: 0

Comments / recommendations from Overview & Scrutiny Committee

None

Background Papers

None

Tracking / Process

Does this report relate to a major strategic decision, as set out in the GMCA Constitution?

No

Exemption from call in

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No

Bee Network Committee

N/A

Overview and Scrutiny Committee

N/A

1. Background

- 1.1. The Greater Manchester Combined Authority (GMCA) received feedback from Local Authorities and Social Housing Providers stating that their existing procurement models were a delaying factor when delivering retrofit schemes.
- 1.2. In addition, several Framework Agreements and Dynamic Purchasing Systems operated by the Department for Energy Security's Net Zero Hubs across the country were coming to the end of their four-year terms.
- 1.3. The GMCA consulted Local Authorities and Social Housing Providers on which procurement models they required for future retrofit schemes. The majority expressed a preference for a Framework Agreement, as it allowed for the speedy appointment of contractors through a direct award.
- 1.4. Therefore, the GMCA has worked with the Net Zero Hubs in using its specialist expertise to specify and procure a £1 billion national Net Zero Housing Retrofit Framework Agreement.
- 1.5. The Framework Agreement provides a Public Procurement Regulations compliant route to market for Local Authorities and Social Housing Providers (amongst others) for the retrofitting of energy efficiency and low carbon heating measures in social and private sector housing.
- 1.6. The Framework Agreement will help to facilitate the delivery of the Government's Warm Homes Plan, in particular the Warm Homes: Social Housing Fund and the Warm Homes: Local Grant which are due to be launched in April 2025.
- 1.7. With both direct award and mini competition call-off mechanisms, the Framework Agreement will help simplify and speed up the procurement of retrofit projects across the country.

2. Bids

- 2.1. The opportunity for suppliers to join the Framework Agreement was published on [The Chest](#) procurement portal with a closing date of 28 October 2024.
- 2.2. Suppliers could bid for one or more of the following Lots:

Lot	Description
1	Supply of Heat Pump systems and associated components.
2	Supply of Controls and Monitors, Low Energy Lighting, Electrical Storage Heaters, and associated components.
3	Supply of Insulation products and associated components.
4	Supply of Ventilation and Extraction systems and associated components.
5	Supply of Glazing and Doors and associated components.
6	Supply of Solar and associated components.
7	Design, Supply and Installation of Heat Pump systems and associated components.
8	Design, Supply and Installation of Glazing and doors and associated components.
9	Design, Supply and Installation of Ventilation and Extraction and associated components.
10	Design, Supply and Installation of Solar and associated components.
11	Design, Supply and Installation of Insulation and associated components.
12	Design, Supply and Installation of Controls and Monitors, Low Energy Lighting, Electrical Storage Heaters, and associated components.
13	Turnkey Solutions.
14	PAS 2035 Roles (Consultancy).
15	Customer Journey Services.

2.3. Suppliers could also select which of the following regions of England they were able to operate in:

- North West

- North East
- Yorkshire and Humber
- West and East Midlands
- South West
- South East
- Greater London
- East of England.

2.4. Suppliers were required to provide fixed pricing for the four-year life of the Framework Agreement, which could be updated annually in line with the Consumer Price Index.

2.5. 128 bids were received and have been evaluated against the following criteria set out in Appendix 01. The awarded suppliers are listed on the GMCA website.

3. User Support and Fee Income

3.1. The GMCA will be providing support for Contracting Authorities who choose to use the Framework Agreement through the provision of advice, guidance, and template resources, as well as offering to run mini competitions on behalf of, or in conjunction with, Contracting Authorities where required.

3.2. In return, the GMCA will receive a fee income of 1% of the value of contracts called-off the Framework Agreement which will be used to cover its staffing and administration costs.

4. Recommendations

4.1. Recommendations are presented at the front of this report.

APPENDIX 01 – Evaluation Criteria

1. Pass / Fail Requirements:

- Financial Standing
- Information Governance
- [GM Good Employment Charter](#)
- Real Living Wage and Real Living Hours
- Carbon Neutral by 2038 or 2050
- Carbon Reduction Plans.

2. Overall weightings were split 60% Quality and 40% Pricing. Quality was further split by Mandatory Questions for all bidders to respond to weighted at 30%, and Lot specific questions weighted at 30%.

Mandatory Questions (all bidders) (30%):

3. Social Value (20%):

- Fighting Climate Change – main environmental impacts and how they are monitored, measured, and reduced.
- Tackling Economic Inequality – how bidders will deliver skills development training to support the future needs of the retrofit industry.

4. Skills Development (5%):

- How bidders support the wider retrofit eco system, with more of a focus on training and educating those outside of their organisation, e.g., working with colleges and training providers, awareness raising in schools, providing training equipment for learners, etc.

5. Embodied Carbon (3%):

- How bidder plans to minimise the embodied carbon within the retrofit products they will use.
- Environmental Product Declarations (EPDs) required for products which will be provided to the University of Manchester to run through a Carbon Calculator it has developed to provide comparative embodied carbon scores.

6. Supply Chain (2%)

The verification level (self-verification or external verification) that their supply chains are free of any forced labour.