

**Report to** Cabinet  
11 July 2018  
**Report of** Director of neighbourhoods  
**Subject** Procurement of PV for free on housing contracts

**Item**

9

## **KEY DECISION**

### **Purpose**

To inform cabinet of the procurement process for installing PV panels on housing properties, and to seek approval to delegate authority to award the contract.

### **Recommendations**

To delegate approval to the director of neighbourhoods in consultation with the portfolio holder for social housing to award the contract for a PV for free programme on council homes.

### **Corporate and service priorities**

The report helps to meet the corporate priority a healthy city with good housing

### **Financial implications**

The costs arising from this report will be met from approved budgetary provision within the HRA capital and revenue programme for 2018/19.

**Ward/s:** Multiple Wards

**Cabinet member:** Councillor Harris - deputy leader and social housing

### **Contact officers**

Lee Robson, head of neighbourhood housing 01603 212939

Carol Marney, associate director NPS Norwich 01603 227904

### **Background documents**

None

# Report

## Introduction

1. Reducing inequalities is one of the council's key objectives and a variety of work is undertaken to achieve this. In 2017, the council was approached by a company that provides and installs photovoltaic arrays (PV) on domestic properties. The service offered was to install PV panels on a number of suitable council housing roofs at no cost to the council for the setup, with the tenant able to use the electricity that is generated at no cost.
2. The company would receive a feed-in-tariff (FIT) for any energy that is not used by the tenant which is fed back into the national grid. As well as offering to provide PV installations on the council's housing stock at no cost, the company agreed to contribute a small income to the council that could contribute to community or housing projects.
3. Whilst an excellent proposal, to ensure complete fairness, openness and adherence to the council's contract procedures, a competitive procurement exercise looking for a single supplier to meet the council's requirements was arranged. This report sets out the approach to this procurement and the award of the contract.
4. Fuel poverty is a significant issue for many council tenants but it can be reduced through the installation of various improvements. The installation of PV is one example which would benefit the economic wellbeing of many of our tenants by providing them with "free" electricity" when it is generated through the panels.
5. This area of work is part of the council's ongoing programme to help residents who experience fuel poverty. This includes the big switch and save programme and winter wellbeing conference which contribute to implementation of the council's affordable warmth strategy. Taking all of these measures together, fuel poverty for all residents in Norwich has decreased from 12.2% to 9.9% since 2012, against a national backdrop of increasing fuel poverty and rising energy prices. This means that overall, there are 1,126 less fuel poor homes in the city and the investment in the council's own stock plays a vital role in this.
6. NPS Norwich has identified up to 5000 council homes that could benefit from the installation of PV. The successful supplier will survey the properties to agree that they are suitable. This contract specifies that a minimum of 1000 properties should receive the installations. NPS Norwich will ensure that as many addresses as possible are within areas of high deprivation.
7. The supplier will keep the tenants fully informed regarding surveys, eligibility and installation. All letter templates will be approved by the communications team before they are sent to tenants.
8. The installation of PV will contribute to an overall reduction in household fuel bills, a reduction in the city's carbon footprint and increase individual property's standard assessment (SAP) and Energy Performance Certificate (EPC) scores.

## **Procurement Process**

9. The opportunity was advertised on the council's e-procurement portal and Contracts Finder. To maximise supplier interest, a prior information notice (PIN) was sent via the council's e-procurement portal to the Big6, advising them of the possibility of a forthcoming tender opportunity. In addition to the Big6, there are other energy providers registered on the council's procurement portal who received the details of this opportunity.
10. A tender pack was produced requesting suppliers to install PV to some of the council's housing stock 'free of charge' plus a fixed income per annum to the council for the life that the feed-in-tariff or comparable incentive is guaranteed by the Government. When or if the FIT comes to an end then so would the fixed income as the supplier will no longer benefit from the FIT or comparable incentive. However, the PV equipment would remain on roofs providing free electricity for tenants when it is generated through the panels.
11. Tenders were due to be returned on 19 June 2018 and the results of the evaluation will be provided to the director of neighbourhood and cabinet member for social housing for consideration.
12. Any set up costs such as property surveys or energy certification will be covered from existing approved budgets.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	11 July 2018
<b>Director / Head of service</b>	Lee Robson
<b>Report subject:</b>	Procurement of PV for free on housing properties
<b>Date assessed:</b>	19 June 2018
<b>Description:</b>	Procurement of PV panels to provide free electricity for tenants

	Impact			
<b>Economic</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Open tendering will ensure that best value is achieved.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PV4 free helps to reduce fuel poverty.
<b>Social</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PV4 free reduces the use of energy from fossil fuels
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There is a low risk that the appointed supplier could fail during the life of the contract. There is little risk to the council as it is not investing in the supplier. The risk is one of service continuity rather than financial which is further mitigated by the fact that the contract is planned in nature.

Recommendations from impact assessment
Positive
The works will reduce fuel poverty and reduce consumption of energy from fossil fuels.
Negative
Neutral
Issues