



Nottingham City Council
Commissioning and Procurement Executive Committee

Date: Tuesday, 10 December 2024

Time: 9.30 am

Place: Loxley House, Station Street, Nottingham, NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Director for Legal and Governance

Governance Officer: Mark Leavesley

Direct Dial: 0115 876 4302

- 1 Apologies for absence**
- 2 Declarations of interests**
- 3 Minutes** 3 - 18
Last meeting held on 12 November 2024 (for confirmation)
- 4 Workwear and hand tools corporate contract - key decision** 19 - 22
Report of Corporate Director for Communities, Environment and Resident Services
- 5 Approval to tender for solar PV operation and maintenance services - key decision** 23 - 32
Report of Corporate Director for Communities, Environment and Resident Services
- 6 Exclusion of the public**
To consider excluding the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
- 7 Housing disrepair claims: external legal support - key decision** 33 - 60
Report of Corporate Director for Growth and City Development
- 8 District Heating Strategy: budget and procurement approval - key decision** 61 - 72
Report of Corporate Director for Communities, Environment and Resident Services

If you need any advice on declaring an interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting.

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Nottingham City Council

Commissioning and Procurement Executive Committee

Minutes of the meeting held at Loxley House, Station Street, Nottingham, NG2 3NG, on 12 November 2024 from 9.30 am - 10.20 am

Membership

Present

Councillor Linda Woodings (Chair)
Councillor Jay Hayes (Vice Chair)
Councillor Cheryl Barnard
Councillor Corall Jenkins

Absent

Councillor Ethan Radford
Councillor Pavlos Kotsonis

Colleagues, partners and others in attendance:

Alison Brown - Director of Housing (Property)
Dawn Cafferty - Head of Procurement
Anthony Dixon - Head of Supported Housing
Ken France - Head of Fleet and Depot Operations
Beth Hanna - Migration Operation Manager
Mark Leavesley - Governance Officer
Andrew Smith - Assistant Fleet Manager
Kim Smith - Leasehold Manager
Tony Sowter - Technical Innovation Manager

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 22/11/2024. Decisions cannot be implemented until the working day after this date.

43 Apologies for absence

Councillor Kotsonis – personal
Councillor Radford – other Council business

44 Declarations of interests

None.

45 Minutes

The Committee agreed the minutes of the meeting held on 15 October 2024 as a correct record and they were signed by the Chair.

46 Supply contract for refuse vehicles between 7.5T to 32T - key decision

Ken France, Head of Fleet and Depot Operations, and Andrew Smith, Assistant Fleet Manager, presented the report and stated the following:

- a. members of the Nottinghamshire / Derbyshire Transport Group Consortium have a statutory duty under section 45 of the Environmental Protection Act 1990, as they are deemed to be a 'waste collection authority', to collect household waste;
- b. the service is delivered internally by the members of the group and the proposal to retain the Single Source Supply Contract model currently in place for the supply of Refuse vehicles will deliver the required levels of Contract Management, After Sales Service and Maintenance Support across the group. This support will enable members of the consortium to deliver the required statutory services.

Resolved to

- (1) authorise undertaking a procurement process for the necessary framework agreement(s);**
- (2) delegate authority to the Corporate Director for Communities, Environment and Resident Services to enter into:**
 - (a) the initial Refuse Vehicle Supply Framework Agreement;**
 - (b) any call-off contracts under the terms of the Framework Agreement for Nottingham City Council fleet requirements and maintenance.**

Reasons for recommendations

- c. To enable the Nottingham City Council Fleet Services team and the aforementioned Consortium members to be able to access the Refuse Collection Vehicle market to enable the members ongoing Vehicle Replacement Programme requirements to be delivered as required.
- d. The Fleet Services Team and members of the Consortium wish to retain the Single Source Supply Contract model currently in place for the supply of Refuse vehicles as this is shown to deliver the required levels of Contract Management, After Sales Service and Maintenance Support across the group. This support enables all members of the consortium can deliver the required statutory services.
- e. A common base specification is created which ensures collective learning from across the consortium is shared to deliver better outcomes.
- f. Ensure all vehicle purchases are going through a compliant procurement mechanism with a specification created with the consortium in mind.
- g. Using a Contracted supplier enables prices to be fixed for 12-month periods within the proposed contract lifespan of 4 years which helps with the budgeting process when creating future replacement plans. A three month-notice period is mandated for the evidenced based price increases to be proposed within the contract period.

- h. Under the terms of the Contract, there is no commitment to spend or to place a minimum number of orders.
- i. The vehicle types within the Tender specification will include both Diesel and Alternative fuel chassis. The Tender will include the option to purchase Food Waste Collection and Kerbside recycling bodied vehicles as well as the standard and any specialist Refuse Collection vehicles in any body configuration as required by the contracting authorities within the Consortium.

Other options considered

- j. Extend the current contract – this option is not available as it would not comply with the Public Contracts Regulations 2015.
- k. Undertake ad-hoc tenders at the point of demand – this option was rejected to avoid any duplication of work across the Consortium.
- l. All members could access external third-party procurement frameworks at the point of demand – this option was rejected to avoid any duplication of work and to be paying rebate fees to third parties.

47 Dispersed care alarm equipment procurement - key decision

Councillor Hayes, Executive Member for Housing and Planning, introduced the report.

Anthony Dixon, Head of Supported Housing, presented the report and stated the following:

- a. the report requests agreement for the re-procurement of dispersed care alarm equipment and associated peripherals for a term of 2+1+1 years, with an anticipated total contract value of £1.4m;
- b. the equipment is installed by Nottingham on Call in the homes of vulnerable citizens and in independent living accommodation and enables these citizens to continue to live independently, reducing the need for more intensive provision and adult social care spend.

Resolved to

- (1) approve commencement of procurement activities to tender a contract for the supply of dispersed care alarm equipment, for a period of 2+1+1 years at an estimated contractual value of up to £1.4m;**
- (2) delegate authority to the Strategic Director of Housing to award and sign the contract.**

Reasons for recommendations

- c. The current contract for provision of dispersed care alarm equipment expires January 2025. A new contract is required to enable Nottingham on Call to continue to purchase this equipment.
- d. A compliant tender process is considered the best mechanism for securing a supplier of dispersed alarm equipment given the anticipated value and duration of award. This will be undertaken with Compliant Purchasing support.
- e. It is recommended that the Strategic Director of Housing be given delegated authority to award to expedite the inception of the new contract.

Other options considered

- f. Using a third-party framework contract. This was considered but there is not a framework which specialises in dispersed alarm equipment, or which has a sufficient choice of providers. Undertaking our own procurement process enables the Council to tailor the specification to our own requirements.
- g. Partnering with another authority. There is not an obvious choice of local authority to partner with for a joint procurement. Nottinghamshire County Council would have been an option, but they are tendering for a fully managed service as opposed to a supplier of equipment.
- h. Varying the contract length. The award of a 2+1+1 contract strikes a balance between fixing the price of the equipment provided for reasonable timeframe aiding business planning and providing the opportunity to take a different course of action following contract review. In particular, two extension periods allow for consideration of technological advancement and whether more effective technological solution have been developed and made available.

48 Acceptance of grant monies for the Asylum Dispersal Scheme - key decision

Councillor Jenkins, Executive Member for Communities, Waste and Equalities, introduced the report.

Beth Hanna, Migration Operations Manager, presented the report and stated the following:

- a. Nottingham City has been an Asylum Dispersal Area since 2002, although were not allocated any government funding for this until 2021-2022 (received retrospectively in 2022).
- b. The asylum dispersal process provides accommodation and support via a Home Office-contracted provider (currently SERCO, previously G4S) while individual asylum claims are assessed.
- c. In 2022, participation in asylum dispersal became mandatory for all Local Authorities areas in England, Scotland and Wales to allow for movement from hotels to less expensive and more suitable dispersed accommodation.

- d. The following grants (totalling £1,458,000) have been received by the Council and require retrospective approval to accept (the government allocate this funding retrospectively):

Grant 4 - £171,500

Grant 5 - £12,000

Grant 6 - £1,099,500

Grant 7 - £175,000

- e. The funding received so far has been used to support existing and current services for people seeking asylum, and the allocation of this resource is key to service delivery within the Council and Voluntary Community Sector as the funding will support and help alleviate additional pressures placed on these services, which currently already have a high demand and limited capacity.
- f. The funding will be used to support the delivery of vital services to this vulnerable cohort and adequately help resource services who have been delivering and developing quality provision previously without this additional funding.

Resolved to

- (1) authorise acceptance and drawdown of relevant grant monies (in part retrospectively) from the Government Asylum Dispersal Fund between 2023-2028 (5 years);**
- (2) grant delegated authority to the Corporate Director for Communities, Environment and Resident Services to:**
 - (a) approve the outcome of any funding agreements and Voluntary Community Sector grant programmes set up to meet the needs of people seeking asylum, in line with Council processes;**
 - (b) spend on other required services within the Council and externally with the voluntary and Community sector and other services, subject to compliance with Home Office Funding Instructions and Nottingham City Council's constitutional requirements;**
 - (c) extend staff contracts as required, subject to available funding at the time, associated with this project to deliver, manage and develop the service and improve governance, contractual and compliance arrangements, responding to need and changing trends.**

Reasons for recommendations

- g. The Secretary of State for the Home Office has agreed to provide the Council a grant as a contribution to supporting Asylum Seeker Dispersal. This funding is ringfenced but can be used by Local Authorities on how best they see fit to support Asylum Seekers and ease specific local pressures on already overstretched services. Payment will, however, be subject to the conditions of the grant agreement.

- h. It should be noted that Central Government funding instructions are frequently changing in parameters and time scales and are often issued after implementation has begun.
- i. The Asylum Dispersal Fund contributes along with other Government funding (such as Refugee Resettlement and Homes for Ukraine Scheme) to the cost of staff within the Migration team, to deliver work around Asylum.
- j. The Asylum Dispersal Fund is also funding 1.5 Asylum Coordinators in the Migration Team that are currently being recruited to. This additional funding will ensure the posts can be extended and work embedded to make significant progress without a cost to the Council. These posts will ensure improved partnership working, responding to gaps and risks to avoid the escalation of issues and impact on existing overstretched council and other services, ie, Health, Housing, Social Care, Education and Voluntary and Community services.
- k. The Migration team have an action plan and budget for the allocation of funds to support Asylum Dispersal, to alleviate pressure on existing services and meet gaps in provision. With the funding currently received we have a 5 year plan that enables the Migration Team to plan ahead, improve governance for projects and sets out improved commissioning and grant aid processes rather than responding to crisis with each new policy announcement. This will be supported by establishing a Strategic Migration Partnership/board within this financial year.
- l. The previous funding secured has enabled initiatives to support departments such as Public Health, Education and the Slavery Exploitation Team, to secure additional resources for this cohort, freeing up and adding capacity in the system. And this current funding will be able to support the continuation of these partnership arrangements.
- m. The Asylum Dispersal fund is currently funding the 'Into the Mainstream' service through grant arrangements for 2024-2025 following the Communities of Identify grant funding ceasing from March 2024. This is currently delivered by NNRF (Nottingham and Nottinghamshire Refugee Forum). Public Health have now developed this service specification and are due to procure this 'access to healthcare services' with a further contribution from the Asylum Dispersal Fund to jointly fund this service delivery.
- n. A small grants programme funded by these Government monies was established in 2023, with a 2nd round due winter 2024 for local voluntary organisations to improve integration and inclusion, educational opportunities, mental and physical health and wellbeing, reduce isolation, promote health relationships, provide safe spaces, empower and support the voices of people seeking asylum and offer support around crisis, hardship and poverty. This has enabled a range of wrap around support to improve the lives and integration of Individuals seeking asylum.

Other options considered

- o. As this is a statutory requirement, declining to participate in this funding scheme may result in a capacity reduction or closure of key voluntary services, which would displace support needs back to Nottingham City Council, without additional resources.
- p. Being an Asylum Dispersal area is mandatory, so we would still be required to support asylum seekers, but without government funding to do so.

49 Procurement of building insurance for residential leasehold properties - key decision

Kim Smith, Leasehold Manager, presented the report and stated the following:

- a. Nottingham City Council (NCC) Housing Services need to procure a new contract for Building Insurance as the current contract is due to expire on 31 March 2025.
- b. NCC are, under the terms of a lease agreement, responsible for arranging Building Insurance cover for Residential Leasehold flats citywide as Residential Lease Agreements contain an explicit clause that make it mandatory for the council to provide Building Insurance.
- c. The Leaseholder agrees to pay a contribution to the landlord costs under the terms of the lease for providing Building Insurance, and the council pay the premium in advance and recharge Leaseholders within their annual Service Charge Accounts.

Resolved to

- (1) approve tendering for Leasehold Building Insurance for residential leasehold flats held on a long lease, on a 3+1+1-year contract at a total cost of up to £1.5m;**
- (2) delegate authority to the Insurance and Risk Manager to place insurance cover with the insurer that provides best value on conclusion of the tender process.**

Reasons for recommendations

- d. There is a legal requirement to tender for the leasehold building insurance policy. It is the intention of the Leasehold Manager, Kim Smith, and Insurance Risk Manager, Jackie Handley, to enter a contract for Leasehold Building Insurance for a period of 5 years on a 3+1+1 contract.
- e. NCC Housing Services Leasehold and Insurance Risk Department need to procure for a new contract for a Building Insurance as the current contract is due to expire on 31 March 2025. NCC are, under the terms of a lease agreement, responsible for arranging Building Insurance cover for Residential Leasehold flats citywide. NCC Residential Lease Agreements contain an explicit clause that make it mandatory for NCC to provide Building Insurance.

- f. The Leaseholder agrees to pay a contribution to the landlord costs under the terms of the lease for providing Building Insurance.
- g. NCC pay the premium in advance and recharge Leaseholders within their annual Service Charge Accounts.
- h. A full procurement exercise is required to ensure NCC are legally compliant, to evidence that best value has been achieved for leaseholders and to ensure we are able to recover the insurance premium from Leaseholders as per the lease agreement.
- i. NCC are required to satisfy the Leasehold Section 20 Consultation Requirements in accordance with Section 20 of the Landlord and Tenant Act 1985 and The Service Charges (Consultation Requirements) (England) Regulations 2003.
- j. Due to the value of the overall contract public advertisement is required and a 60 day consultation period with its leaseholders. We therefore need to commence the procurement exercise in November to ensure there is sufficient time for consultation, the tender and placing of the insurance policy.
- k. To estimate the total contract value, an assumed inflation rate of 5% has been applied to the sums insured in 2024-2025, This was £115,105,160.35.
- l. It is also assumed that we are honoured the same rates for the duration of the contract, and it is assumed that (IPT) Insurance Premium Tax does not rise above 12%.
- m. Our current insurers charge £1.79 per £1,000 sum incurred. therefore assumed 5% increase for:
 - 2025/26 - $£120,860,418.00 \times 1.79 / 1000 + 12\% \text{ IPT} = £242,300.96$
 - 2026/27 - $£126,903,439.00 \times 1.79 / 1000 + 12\% \text{ IPT} = £254,416.02$
 - 2027/28 - $£133,248,611.00 \times 1.79 / 1000 + 12\% \text{ IPT} = £267,136.82$
 - 2028/29 - $£139,911,041.55 \times 1.79 / 1000 + 12\% \text{ IPT} = £280,493,66$
 - 2029/30 - $£146,906,593.63 \times 1.79 / 1000 + 12\% \text{ IPT} = £294,518.34$
- n. Estimated contract value could be £1,338,865.80 but, due to fluctuating market rates it is very likely the value would be higher than this, the maximum limit for the procurement could reach £1.5m.

Other options considered

- o. Not to provide insurance – rejected as should we not provide the Building Insurance cover, leasehold properties will not be insured in the event of a claim, leaving the leasehold exposed to a large financial cost of reinstating their property with no insurance cover to pay for the repairs.
- p. The leaseholder would then have recourse against the Council under a breach of contract in not placing the insurance cover as per the lease agreement.

50 Handheld power tools solution - key decision

Councillor Hayes, Executive Member for Housing and Planning, introduced the report.

Alison Brown, Director of Property (Housing), presented the report and stated the following;

- a. The report seeks approval to implement a revised handheld power tools supply maintenance and management solution for Housing property services. The solution will be provided by an external supplier and managed through internal resources. The scope of the proposal is based on feedback from the Health and Safety Executive (HSE), current regulatory requirements, and an analysis of existing arrangements. The aim of a revised approach is to enhance operational efficiency, ensure compliance with health and safety regulations, and deliver best value for money.
- b. Nottingham City Council (NCC) housing property services currently faces challenges with its hand-held power tool provision, maintenance and management system, which include inefficiencies, high costs, and compliance risks. We were working with non-standardised tools, which were provided directly by the workforce, leading to inconsistencies in approach to quality of handheld power tools purchased, frequency of maintenance and safety concerns, particularly regarding Hand-Arm Vibration Syndrome and dust suppression. Our existing approach is not fit for purpose and an interim solution was put in place following a visit from the health and safety executive is not sustainable long term.
- c. Included within our revised approach is a proposal to enter into a contract with external tools supplier specialists for the provision, maintenance and management of handheld power tools. This would provide a range of benefits including access to improve technical capacity and expertise available to the Housing property service and wider NCC colleagues on tools areas including to mitigate exposure to vibration and dust.
- d. The proposed specification within the contract will demonstrate that NCC as an employer has robust controls in place that meet responsibilities under the health and Safety at Work act 1974. Specifically, the control of vibration at work regulations 2005 and the control of substances hazardous to health regulations 2001 control of dust. Addressing this issue is a key part of the action plan created in response to the HSE Notice of Contravention dated 27 February 2024. The HSE described the contraventions as material. Having appropriate and robust controls in place will protect our workforce and residents from exposure to dust and vibration and reduce the likelihood of financial claims being made against us for failing against our obligations under Health and Safety regulations.
- e. Implementing a standardised, digitally enhanced handheld power tools solution will significantly enhance NCC's operational efficiency, safety compliance, and cost-effectiveness. The investment in this solution aligns with NCC's strategic

objectives of improving service delivery and ensuring the well-being of its workforce.

- f. To fully support the implementation of the proposed changes in a timely manner, we will use additional funding of approximately £529,000 over the proposed contract term from HRA reserves.
- g. Implementing a new approach to the provision, maintenance and management of power tools will generate non-cashable efficiency savings of an estimated £638,000 in year 1 of full implementation.

Resolved to

- (1) approve spend of £1.3m of Housing Revenue Account (HRA) funds over a four year term for the implementation of a handhold power tools solution, including dust suppression provision, maintenance and management;**
- (2) delegate authority to the Director of Property:**
 - (a) to meet any shortfall identified after the conclusion of the procurement exercise as a growth item through the annual budget process for 2025/26 without further recourse to HRA reserves;**
 - (b) to enter into a contract for a handheld power tools solution, including dust suppression provision, maintenance and management solution for an initial 2 years, with possible 1+1 extensions pending performance, to make a total contact term of up to 4-years following a compliant procurement exercise being completed. Noting that this will be with the support of the procurement team, demonstrating value for money, and is likely to be through an existing framework, however if this does not meet identified need, it will be through an open tender;**
 - (c) in consultation with procurement colleagues, to set up the required CPAs to cover the estimated £1.3m worth of tool solution services to be delivered through housing property services;**
- (3) approve recruitment of a dedicated internal staffing resource to fully implement and manage the handheld power tools solution to ensure it continues to meet statutory and regulatory compliance, noting that any costs for the remainder of 2024/25 (likely to be from November 2024 to March 2025) will be met from either budget savings or HRA reserves, and that ongoing costs for this role will be included as a growth item in the 2025/26 budget round;**
- (4) set the overall value of the advertised procurement opportunity up to a total value of £2.5m across the proposed contract term to allow flexibility and opportunity for growth in needs and other services areas in NCC to join the contract at a later date after completion of appropriate internal, consideration of risk and spend approval processes;**

(5) note the £638,000 non-cashable efficiency gains identified through improved efficiency and effectiveness of service delivery in year 1.

Reasons for recommendations

- h. Improve Operational Efficiency - implement a streamlined process for tool management to reduce time and cost linked to equipment failure.
- i. Enhance Health and Safety - adopt tools and practices that mitigate health risks such as Hand-Arm Vibration Syndrome and dust exposure.
- j. Ensure Compliance - Meet regulatory requirements and internal standards.
- k. Optimise Resource Allocation - Ensure best value for money through effective resource management.

Other options considered

- l. We have engaged with a number of national tools providers as part of informal market engagement exercise to provide feedback on possible solutions to our issue and to help inform a proposed scope and specification and delivery model which will be used as part of the procurement exercise. Discussion topics length of contract, and options within the tender such as supply and maintenance and supply only.
- m. Advice was sought from external providers and from discussions with staff on what equipment would best meet our needs such as vibration-damped tools, dust extraction systems, and effective ventilation solutions, tools tracking.
- n. We have established a cross-housing service division working group to oversee the timely implementation of the improvement actions proposed to the HSE.
- o. We have contributed to the NCC corporate health and safety group to consider existing arrangements that exist across the NCC for provision of handheld power tools, maintenance and management. This was to identify if we could adopt any existing practices already in place across NCC. However, it was agreed we had different needs and system used still required manual input from colleagues which if not used correctly under mines the data insight gained. All require some form of manual intervention in terms of action to be taken if for example trigger times were exceeded.
- p. The volume of staff in property services would also impact of the cost of implementing system and the volume and frequency of activities being undertaken requires a robust maintenance solution for equipment and tools. We have entered into a temporary leasing of tools for an identified list of work colleagues using existing contracts and provided additional dust suppression equipment.
- q. Based internal discussions and other feedback from external agencies the existing management arrangements used in other parts of NCC still require manual intervention between the system used and the trade colleagues so

potential data insight benefits could be impacted if not used correctly. We will still need to have some form of user input system to record tool usage and trigger times. These trigger times are recoded by trade colleagues and are then monitored weekly by managers. Where required action is then being taken to move staff off activities to reduce trigger times. As part of the specification, we will include whether this element of monitoring can be automated but with reduced reliance from user input.

51 Works Order Management System - key decision

Councillor Hayes, Executive Member for Housing and Planning, introduced the report.

Tony Sowter, Technical Innovation Manager, presented the report and stated the following;

- a. The existing works scheduler NEC console, used to allocate jobs for customers and assign trade colleagues to jobs, is not fit for purpose and needs replacing as soon as possible with an alternative works order management solution.
- b. The NEC scheduler (console) was implemented in October 2023 as part of a wider NEC enterprise project initiated by Nottingham City Homes. The objective being to reduce the number of IT systems used to manage and deliver the Housing property service.
- c. All of the intended property services work streams have not yet been migrated to NEC scheduler due to ongoing system and user issues that have emerged since go live, meaning we are still operating the Property service across multiple IT platforms. This continues to create issues for our customer service centre, other housing staff and customers, particularly on visibility of data, clear audit trails on what actions are being taken by who and when, and difficulties with agility of resources.
- d. The NEC works scheduler is underdeveloped, not fully dynamic, its configurability does not support our operating delivery model and, at times, is unstable, resulting in having to use paper-based run sheet schedules as a business continuity fall back.
- e. The NEC scheduler lacks automation, and we are using additional staffing resource to plan customer appointments, schedule trade colleagues to jobs and move works through different stages of the repairs journey process. We are unable to retrieve reliable and accurate performance data and works orders do not consistently close down after works are completed, meaning we are not confidently able to articulate what the repairs service actual performance is like.
- f. Due to system issues, we are trying to manage the performance of a service based on 25,000 properties, and an annual works order volume of 170,000 across all workstreams, on an excel spreadsheet which is both inefficient and ineffective. The majority of these issues were not evident in the project testing phase due to us not at the time operating on the latest version of NEC to test on. We were four versions behind due to our historical approach to

implementing upgrades. NEC as a company despite lots of words of assurance have not provided us as a key housing client with the speed and level of support required to address the issues identified resulting in a loss of confidence in the partnership.

- g. This combination of factors is having a significantly negative impact on the Property service we are delivering including the levels of customer perception which has dipped since we went live with the NEC scheduler. The wellbeing of the team is being affected with increased refence being made to our internal IT systems as a reason for absence due to work related stress. Our existing arrangement is not sustainable, and we need to do something at speed to enable the wider transformation activities outlined in our service plan to take place and prevent any further deterioration of service.
- h. Due to the critical operational we have through our procurement colleagues proposed the use of G-Cloud as an existing OJEU compliant framework as a procurement solution rather than NCC completing its own tender process which will take time and resources.
- i. We have completed a range of activities with staff to identify key requirements for a replacement WOM system using the learning from the past few months. This has including viewing of a range of WOM systems available from other WOM supplies in G cloud framework. We created a resulting minimum criteria, used to shortlist potential systems and as the basis to complete an evaluation against work order management providers on the G-Cloud framework. The outcome resulted in the decision to recommend we procure the Total Mobile Ltd, WOM solution.
- j. This provides an established tried and tested works order management solution within the social housing sector and will provide the basics we need to give the Property service stability. In additional to the fully dynamic works order management solution the proposal will support the provision of video diagnostic, lone worker solution and data analytics.
- k. The company has a roadmap to service and product enhancement, including the use of artificial intelligence, which would support the NCC wider improvement agenda, linked to improved efficiency and effectiveness through automation of process.
- l. NCC have previously had a contract with Total Mobile Limited for a corporate lone worker system and one of our external contractors we are using to provide capacity for damp and disrepair uses which has provide an opportunity to see system capabilities already on our own stock. Having previously worked with Total Mobile Limited we already have a number of data security and IT interfaces in place which will assist with timescales during the mobilisation stages.
- m. The Housing proposal will be funded initially during the remainder of the 2024/25 budget year through the use of Housing revenue account (HRA) reserves. Then we will include a revenue growth item in the annual budget setting process for 2025/26 to ensure that any recurring costs are built into

annual budgets to ensure all costs for the WOM solution are in place. Delivery against the proposed annual efficiency saving of £1.9m/annum will form part of the success measures of the contract with Total Mobile Limited.

- n. This proposal to funding the housing element has been supported by the chief executive and HRA finance. The proposal will be included within the period 6 finance reporting paper to executive leadership. The contract is for a proposed total of 4 years as permissible under the framework agreement.
- o. The commercial model of Total Mobile Limited within the current version of G-Cloud is based on a percentage discount against volume of users, bundle of package purchased. Due to the size of the property service and scope of the works management solution this could be up to a 40% discount against the base rate.
- p. There is scope to include the NCC corporate lone worker solution which could provide further cost efficiencies on the overall contract price. As Total Mobile Limited use G-Cloud as the route to market for most of their public sector contracts they offer their most commercial offer through this route. Delays to approval of the proposal would result in cost increases as Total Mobile Limited have agreed to honour the current commercial model costs which would have been subject to an increase as of November 2024.
- q. Replacing the existing works scheduler will support NCC culture change ambitions. Total Mobile Limited has the functionality to provide a technological system to support works delivery through approved processes so we operate more efficiently and effectively. It will provide a performance management tool to facilitate agility of resource and demonstrate greater accountability. All can contribute to enhancing the customer and staff experience of the service.

Resolved to

- (1) approve funding of an up-to 4-year contract, at an estimated cost of £1.85m (£1.77m HRA and £88k General Fund), for a replacement works order management solution;**
- (2) delegate authority to the Director of Property Services (Housing) to:**
 - (a) procure and award a contract of up to 4 years (on a 1+1+1+1 basis) to Total Mobile Limited for utilising the G-Cloud (version 13 Framework) for the provision of a works order management solution;**
 - (b) set up the required Contract Purchase Agreements to cover the works to be delivered;**
 - (c) raise purchase orders under the signed contract for the duration of the contract;**
- (3) note the proposed efficiency savings over the potential contract term and that these are included as success measures within the contract with Total Mobile Limited;**

(4) explore opportunities within the contract terms for other service areas across the Council to gain potential financial benefits through volume discounts from Total Mobile Limited commercial model offered through G-Cloud.

Reasons for recommendations

- r. The proposed procurement route of Crown Commercial Services G Cloud 13 Framework agreement is FTS compliant and supports the need to move at pace to implement a works management solution that supports the delivery of the property service.
- s. The use of the G-Cloud framework provides a transparent pricing framework and ability to develop opportunities for efficiency and effectiveness as a means of further demonstrating value for money. This will include using the proposed efficiency savings as a success criterion within the contract document with Total Mobile Limited to ensure a focus on their delivery is sustained and contract extensions given.
- t. Funding from HRA reserves is requested as this proposal was not funded within the existing business as usual budget lines. It cannot be totally funded at present from any identified efficiency savings within approved budgets so will be reported as an overspend against agreed budgets. HRA reserves are in excess of £100m.
- u. The proposal outlined in the report takes into account applying lessons learnt from the implementation of the NEC enterprise project so for example the funding requests reflects the need to provide dedicated project staff and a fully developed project implementation plan.
- v. The Property team have the expert knowledge and self-awareness of current operating issues and would be able to work with the proposed project team and Total Mobile Ltd to implement a new works order management system that meets service needs and supports wider NCC improvement aspirations.
- w. The recommendations ensure that appropriate NCC internal governance and financial requirement are adhered to.

Other options considered

- x. We considered going out to open market tender rather than use of an existing framework as a means of driving down costs. Although cost is a clear criterion, we need to ensure this is not to the detriment of the product. Continuing with NEC would be cheaper than using Total Mobile Limited, but it does not provide a product that is fit for purpose and supports our service needs.
- y. We considered moving all services back to DRS works order management system as some of the services are still using this. As we are not operating on the latest version this would still require a significant upgrade. The latest version

of DRS does not meet the minimum operating criteria we agreed for a replacement WOM system.

- z. Not doing anything is not an option as would lead to deterioration in overall service delivery. Based on current data it is likely that there would be increased absence from the workplace linked to system issues and work related stress. Staying as we would require increased staffing levels to manually manage resources and move works orders through the different stages of the repairs journey and to maintain multiple WOM systems. It would cost additional monies to continue with other IT systems as migrating all of our services to NEC scheduler in its current reiteration is not viable.

Subject:	Workwear and hand tools corporate contract		
Corporate Director:	Colin J Parr – Communities, Environment and Resident Services		
Executive Member:	Cllr N Khan – Strategic Regeneration, Transport & Communication		
Report author and contact details:	Michael Walker, Michael.walker@nottinghamcity.gov.uk , Neil Lindsey-Taylor, Neil.lindsey-taylor@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Sohaib Chaudhry – Finance Anthony Heath – Legal Paul Ritchie – Procurement Naomi Matthew – Data Protection Nasreen Miah – Equalities Clare Foster – Carbon Reduction		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue	<input type="checkbox"/> Capital	
Total value of the decision: £2.5m			
Section 151 Officer expenditure approval			
Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a			
Spend Control Board approval reference number:			
Commissioner Consideration			
Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 25/10/2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input checked="" type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input type="checkbox"/>		
Keeping Nottingham Moving	<input checked="" type="checkbox"/>		
Improve the City Centre	<input checked="" type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
Nottingham City Council has a legal duty to provide suitable Personal Protective Equipment (PPE) for employees who may be exposed to a risk to their health and safety whilst at work delivering services to the citizens of Nottingham.			
To not procure and provide PPE would be a breach of the Personal Protective Equipment at Work Regulations 1992 (amended on 6 April 2022 to include PPE for limb workers) and would leave the council liable for statutory intervention from the Health & Safety Executive (HSE) including fines (which are not insured & unlimited) and imprisonment.			

In addition, the Council would be unable to defend any civil claims made arising from inadequate or a lack of PPE leaving the Council with a large financial exposure due to a high self-insured retention with external insurers, most claims are met from Council funds.

Exempt information: None.

Recommendations:

- 1 To approve undertaking a full tender process to procure workwear, uniforms, PPE and handheld tools, covering 2025-29 on an initial period of 2 years, with an option to extend for a further 1+1 years at the sole discretion of the authority.
- 2 To delegate authority to the Strategic Director of Resident Services to call off from the framework.

1. Reasons for recommendations

- 1.1 Establishing a framework agreement with various suppliers that provides Nottingham City Council. The following will be able to access the framework, Nottingham City Council (NCC) Nottingham City Council Housing Services, and any other Nottingham City Council owned company.
- 1.2 A compliant mechanism that is compliant with PCR-2015/procurement Act 2023 and council constitution, the framework is for uniforms, PPE & hand tools. Under the terms of the framework, the user can establish 'call-off' agreements for their specific requirement.

2. Background (including outcomes of consultation)

- 2.1 The current framework for the provision of Workwear, uniforms, PPE & hand tools ended on 01/10/2024. The current supply framework has already been extended and cannot be extended any further as it will be a breach of the procurement regulations.
- 2.2 The contract will be split into separate lots, which will be delivered by one single supplier per lot.

3. Other options considered in making recommendations

- 3.1 Do nothing. This was rejected as the council would not be compliant with financial or procurement regulations and would risk the creation of informal arrangements across departments that would lead to inefficiencies and loss of a financial advantage obtained through procurement.
- 3.2 In addition, this would be a breach of the Personal Protective Equipment at Work Regulations 1992 (amended on 6 April 2022 to include PPE for limb workers).

4. Consideration of Risk

- 4.1 Supplier Failure – there will be a contract and scoring mechanism within the Framework terms that means any supplier that does not meet its obligations can be removed from the Framework. Supplier Performance can be monitored and managed utilising contract management within the service and utilising expertise within procurement services.

5. **Best Value Considerations**

- 5.1 DIY- do it yourself: this is the current process the council uses to procure PPE and has been reviewed to evidence good governance and compliance with Health & Safety At Work Act 1974 (HASAWA), whereby the council has successfully defended several litigation cases due to the council's ability to evidence that the right PPE was procured and provided to employees to undertake their duties.
- 5.2 In addition, the DIY approach of a central provider of PPE allows the councils to tightly control costs and standardise what PPE is purchased and provided to the colleagues to discharge the council's statutory duties.

6. **Commissioner comments**

- 6.1 The Commissioners are content to approve this procurement. (22/11/2024)

7. **Finance colleague comments (including implications and value for money/VAT)**

- 7.1 This decision is to seek permission to undertake the tender process for the procurement of PPE, uniform and workwear. The current contract is due to expire and would look to seek a contract for a period of 4 years.
- 7.2 There has not been previously budget set aside for this contract, but the mechanisms around how this was funded was through the recharge/reallocation of costs associated with the purchase of various PPE, uniform and workwear to the various departments.
- 7.3 The correct treatment of this going forward is to create an expenditure budget to cover the cost of purchasing the equipment, as well as an income target in the service for all related reallocations in which the PPE is distributed to various departments.
- 7.4 Best value would be applied as the securing of the new contract would be through the NCC procurement framework.
- 7.5 As everything that is purchased should be reallocated to the responsible departments, there should be no MTFP implication on the council.
- 7.6 However, it is the service area's responsibility to monitor these expenses and reallocations and to mitigate any shortfalls associated with this contract.

Sohaib Chaudhry, Senior Commercial Business Partner – 3 September 2024

8. **Legal colleague comments**

- 8.1 This report seeks authority to create a framework that offers the Council, and other bodies, a compliant route to market to purchase Workwear, Uniforms, PPE and handheld tools. It would be helpful if the decision also expressly authorises the Council to create and manage the operation of the proposed framework.
- 8.2 The proposed decision creates no significant legal issue.

- 8.3 It may be prudent for the proposed terms and conditions of the framework agreement and the call-off contracts to be reviewed by the Council's contract and commercial team.

Anthony Heath, Head of Legal - 17 October 2024.

9. **Other relevant comments**

9.1 Procurement

Procurement Colleagues will assist with the tendering exercise in order to let a fully compliant, value for money contract.

Paul Ritchie, Procurement Manager – 22 October 2024

10. **Crime and Disorder Implications (If Applicable)**

10.1 N/A

11. **Social value considerations**

11.1 N/A at this point as social value considerations are implemented through the procurement process and award criteria whereby there is a social value weighting.

12. **Regard to the NHS Constitution (If Applicable)**

12.1 N/A

13. **Equality Impact Assessment (EIA)**

13.1 An EIA has been undertaken and due regard will be given to any implications identified in it.

14. **Data Protection Impact Assessment (DPIA)**

14.1 A DPIA is not required for the procurement of PPE as no personal information e.g. no personal measurements, are provided as part of the specification provided in the ITT.

15. **Carbon Impact Assessment (CIA)**

15.1 A CIA has been undertaken and due regard will be given to any implications identified in it.

16. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

16.1 None.

17. **Published documents referred to in this report**

17.1 None.

Subject:	Solar PV operation and maintenance services		
Corporate Director:	Colin J Parr – Communities, Environment and Resident Services		
Director:	Michael Gallagher – Environment and Sustainability		
Executive Member:	Councillor Sam Lux - Carbon Reduction, Leisure and Culture		
Report author and contact details:	Roisin Hickey roisin.hickey@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Susan Turner – Finance Richard Bines – Legal Sue Oliver – Procurement		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision: Up to £2,299,498			
Section 151 Officer expenditure approval			
Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: 11372			
Commissioner Consideration			
Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 03/10/2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input checked="" type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input checked="" type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
Nottingham City Council (NCC) own and operate over 3,200 domestic solar PV systems installed on NCC social homes. These assets are split into two phases: Phase 1 which were purchased via the Housing Revenue Account (HRA) and Phase 2 which are owned directly by NCC. Around 10% of the total portfolio are installed at private houses where a tenant has opted to purchase the property under the right to buy scheme after solar panels were installed. NCC also owns and operates around 30 individual commercial solar PV systems, installed on operational buildings, and commercial buildings owned by NCC and leased privately.			
Around 95% of assets receive Feed-in Tariff (FiT) payments, which was a government incentive to			

install renewable generation. The FiT income for both phases is detailed in Table 1, below. The commercial solar PV systems installed on NCC's operational buildings also offer bill savings, as the building can use some free electricity produced by the solar panels rather than paying to import electricity from the grid. These significant bill savings to the authority are detailed in Table 1, below.

Table 1 - FiT income, estimated tenant and authority bill savings

Phase	FiT Income	Annual Bill Savings
Domestic Phase 1	~£1.6m	No bill savings for the authority. Tenants benefit from the free electricity, saving an average of £300 per year/home
Domestic Phase 2	~£0.26m	
Commercial	~£0.1m	~£0.14m
Total FiT income and bill savings	~£1.9m	

Funding for maintenance works has been secured via several budgets:

Phase 1: budget has been secured for this financial year, FY 2025/26 and FY 2026/27. This will be funded via the HRA, and the Solar Hub will re-charge them quarterly for all works completed during the period. HRA spend on solar maintenance has been agreed with the relevant Programme Manager in Housing Services.

Phase 2 & Commercial: budget has been secured for this financial year. Funds will be drawn down from reserve and allocated to cost centre 13021. It is anticipated that the budget allocated for this financial year will not be completely spent by March 2025. This has led to the recommendation for a sinking fund/reserve to be requested to be set up to ensure that the funding for the maintenance costs is available moving forward into the future financial years, thereby reducing possible impact on future MTFP.

Currently, an annual payment of ~£220k is made from the General Fund to the HRA to repay a loan that funded the installation of the solar panels. There is a LKD currently in progress to transfer ownership of Phase 2 domestic assets to the HRA which would remove this payment. Should this be agreed, funding for the next two financial years will come from the savings this would release. If not agreed, budget for the next two financial years would need to be identified elsewhere at a later date.

The invitation to tender will stipulate that we may spend up to £2,299,498, but there will be no commitment to spend this in total.

Table 2 **Error! Reference source not found.** gives a summary of the financial forecast across the whole solar portfolio.

Table 2 – Summary financial forecast

	2024/25	2025/26	2026/27	Total
Phase 1 – HRA funded	£543,838	£425,968	£438,747	£1,408,554
Phase 2 – NCC/ General Funded	£309,985	£231,072	£237,405	£778,462
Commercial – NCC/ General Funded	£45,466	£20,000	£47,016	£112,482
Phase 2 & Commercial Total	£355,451	£251,072	£284,421	£890,944
Portfolio Total	£899,289	£677,040	£723,168	£2,299,498

Where the forecast exceeds the available budget, priority will be given to the safety of assets to ensure they are operating safely, and those with a higher FiT rate to maximise returns to NCC and ensure budgets are not exceeded.

A detailed breakdown of the forecast for domestic and commercial solar assets can be find in sections 2.3 and 2.4 of this report.

Exempt information: None.

Recommendations:

- 1 To approve spend of up to £2,299,498 on procurement of a solar PV operation and maintenance service.
- 2 To delegate authority to the Director of Environment Sustainability to tender, award and enter into a 3-year contract for a solar PV operation and maintenance service.
- 3 To authorise setting up of a sinking fund / reserve to ensure that funding for the maintenance costs is available in future financial years, thereby reducing possible impact on future MTFP.

1. Reasons for recommendations

- 1.1 NCC are responsible for the safe operation and maintenance of their solar assets, and therefore have a duty of care to ensure they are inspected and tested regularly and pose no safety concerns to the tenants, building, building users, staff and members of the public.
- 1.2 Solar PV systems must be maintained and problems affecting performance, such as failed components replaced. This will provide the site with continued renewable energy, and allow the authority to receive revenue from the FiT, as well as electricity savings on commercial sites.
- 1.3 Maintaining NCC's solar assets will continue to contribute to NCC's carbon neutral 28 aspirations and provide a cleaner environment for tenants, citizens, and visitors to Nottingham City.

2. Background (including outcomes of consultation)

- 2.1 The Commercial Oversight Board approved this ITT on 17 June 2024. No comments were received from the Board.
- 2.2 The executive member was briefed on this ITT on 3 October 2024.
- 2.3 Table 3 and Table 4 below detail the current status of domestic solar assets with known generation or metering issues, together with the estimated costs to fix them along with forecasted maintenance spend this financial year, FY 2025/26 and FY 2026/27.

Table 3 - Phase 1 known issues and financial forecast

Item	Phase 1 quantity	Phase 1 cost - 2024/25	Phase 1 quantity	Phase 1 cost 2025/26	Phase 1 quantity	Phase 1 cost 2026/27
Known inverter failures that require replacing	118	£ 70,655	-	£ -	-	£ -
Known metering faults that require new generation meters	227	£ 59,622	-	£ -	-	£ -
Metering failure rate @ 8 per month	96	£ 25,214	96	£ 25,971	96	£ 26,750
Failure rate of inverters @ 11 per month	132	£ 79,038	132	£ 81,409	132	£ 83,851
Pigeon protection measures	250	£ 293,550	250	£ 302,357	250	£ 311,427
Roof inspections @ 15 per year (fault finding)	15	£ 15,759	15	£ 16,232	15	£ 16,719
Total		£ 543,838		£ 425,968		£ 438,747
						1,408,554

Table 4 - Phase 2 known issues and financial forecast

Item	Phase 2 quantity	Phase 2 cost - 2024/25	Phase 2 quantity	Phase 2 cost - 2025/26	Phase 2 quantity	Phase 2 cost - 2026/27
Known inverter failures that require replacing	96	£ 57,482	-	£ -	-	£ -
Known metering faults that require new generation meters	105	£ 27,578	-	£ -	-	£ -
Metering failure rate @ 8 per month	96	£ 25,214	96	£ 25,971	96	£ 26,750
Failure rate of inverters @ 11 per month	132	£ 79,038	132	£ 81,409	132	£ 83,851
Inspection and testing	300	£ 88,065	300	£ 90,707	300	£ 93,428
Roof inspections @ 12 per year (fault finding)	12	£ 12,607	12	£ 12,985	12	£ 13,375
Contingency budget	1	£ 20,000		£ 20,000	1	£ 20,000
Total		£ 309,985		£ 231,072		£ 237,405
		£				£ 778,462

2.4 Table 5 shows the financial forecast for commercial solar assets.

Table 5 - Commercial financial forecast

Item	Commercial quantity 2024/25	Commercial cost - 2024/25	Commercial quantity 2025/26	Commercial cost - 2025/26	Commercial quantity 2026/27	Commercial cost - 2026/27
Bi-annual Inspection and testing	32	£ 25,466		N/A	32	£ 27,016
Contingency budget	1	£ 20,000	1	£ 20,000	1	£ 20,000
Total		£ 45,466		£ 20,000		£ 47,016
		£				£ 112,482

3. Other options considered in making recommendations

3.1 Do nothing - doing nothing means that NCC will neglect its duty of care to ensure that the authority's solar PV assets are operating safely and pose no danger to building users and citizens. Systems that have developed a fault would no longer be providing free electricity to tenants/homeowners and the authority would not receive the expected FiT income nor electricity savings on commercial buildings where solar is installed. Furthermore, this would be a step back in the council's CN28 ambitions as more properties would rely on carbon-intensive grid electricity.

3.2 Use internal resource – this would require multiple MCS qualified electricians to be hired or trained up within NCC and housing services; these skills do not currently exist within the council. Currently housing services electricians cannot work on Phase 2 solar assets due to the ring-fencing of HRA funds. Additional team resource would also be required for making appointments, buying in stock, processing any changes to systems etc. Due to anticipated fluctuation in the management of the solar assets, there is a risk with this option that the right level of internal resource would not be able to be maintained for a full-scale maintenance program. It is more favourable to have continuity of the program through the procurement of an external supplier.

4. Consideration of Risk

4.1 Nottingham City Council have a duty of care to ensure that the solar arrays installed on homes and commercial buildings are safe and pose no risks to

the tenant, homeowner, building users and or staff. It is therefore important that these systems are inspected and tested on regular intervals with testing reports issued back to the authority. Solar systems that are found to be a hazard will need to be safely isolated until they are fixed and safe to operate.

Mitigation action: Commence inspection and testing regime and rectify all faults.

- 4.2 NCC receive in the region of £1.6m in FiT payments for generating electricity and save more than £140,000 annually from using solar generated electricity and not importing from the grid. To ensure that these funds are received, and bill savings realised, maintenance of the solar arrays is imperative.

Mitigation action: Maintain solar assets and fix the ones that are faulty.

- 4.3 Not maintaining the assets or fixing problems is likely to cause complaints into NCC and or housing services.

Mitigation action: Act swiftly to maintain or fix problems with solar assets.

5. **Best Value Considerations**

- 5.1 Best value will be demonstrated by working with procurement colleagues to secure the best value tender, with consideration given to cost, quality and service. A costing exercise, quality questions and previous customer testimonials will be required as part of the tendering process.

- 5.2 Solar PV maintenance is a specific skill considering the dangers of working with direct current (DC) voltage. Considerations have been given to utilising internal resource, however colleagues across NCC, including housing services currently do not have the skills, knowledge or experience to work with these systems and is unlikely to change in the near future.

6. **Commissioner comments**

- 6.1 Commissioners accept the need for necessary maintenance to the solar panels. They recommend the Council undertake a review of provision to assure it is maintained on a reasonable basis. (22/11/24)

7. **Finance colleague comments (including implications and value for money/VAT)**

- 7.1 This decision is seeking to go out to tender for the proposed level of Solar PV operation and maintenance for the Phase 1 and Phase 2 operations (including on behalf of HRA with their agreement as declared by the author) of up to a value of £2.299m and a request to create a reserve to support this ongoing requirement moving forward.

- 7.2 The council has invested in solar energy systems for public buildings and social housing units and needs to prioritise regular maintenance to maximise efficiency and longevity. Routine tasks such as cleaning, inspections, and prompt repairs help keep solar panels operating at full efficiency, which translates to best value long-term cost savings on energy and could avoid more significant repairs later in the asset's life and higher grid energy costs. This will also ensure that the existing FiT income will be consistent and in line

with current MTFP expectations, if these assets are allowed to deteriorate then this income could decrease with reduced efficiency.

- 7.3 It is anticipated that the budget allocated for this financial year will not be completely spent by March 2025 due to the timeline required to proceed with the tender process. This has led to the recommendation for a sinking fund/reserve to be requested to be set up to ensure that the funding for the maintenance costs is available moving forward into the future financial years, thereby reducing possible impacts on future MTFP both from an escalation of repair costs, asset end of life and FiT income perspective.
- 7.4 The 2024-25 funding has been identified from within the current MTFP for the NCC costs and the noted HRA/Housing agreement, although this will need to be monitored and ongoingly reviewed to identify any changes to the planned expenditure (also in conjunction with HRA). Future years expenditure is expected to be met for Phase 1 (in agreement with HRA supporting these assets as declared by the author). The Phase 2 and Commercial elements funding currently is linked to an “in progress” Leader Key Decision and is not yet agreed at this stage. Should this agreement not take place then the future year non-HRA funding would have to be reevaluated and either cost reduction or alternative mitigations sought before proceeding on any spend beyond the year 1 expectation.
- 7.5 This funding will also likely need to be used to support removal costs from the NCC properties in future if this is not already been accounted for elsewhere so these costs will need to be represented too when considering expenditure.

Susan Turner, Senior Commercial Business Partner - 14/11/2024

8. **Legal colleague comments**

- 8.1 Authority is sought to procure and approve the spend of up to £3,273,576 on Solar PV panel Operation and Maintenance (O & M) Services, to ensure compliant contracting of these services on the basis of a 3 year contract. Solar PV system operations and maintenance (O&M) services are understood to be technical services required to establish and maintain a specific performance level for an independent energy system, that cover preventive and corrective maintenance services.
- 8.2 The approval sought should be subject to Section 151 Officer expenditure (Spend Control Board) approval, due to the s.114 (3) of the Local Government Finance Act 1988 report status of the Council and spend not being exclusively HRA money (which is exempt from SCB process).
- 8.3 There are no significant legal issues from a procurement law perspective subject to compliance with the Council's Contract Procedure Rules and Public Contract Regulations 2015 (PCR) / or new Procurement Act 2023 regime (depending on when the procurement exercise is commenced) as the proposed spend on the supply of the above service is above the relevant service contract threshold (on the basis of the estimated value inclusive of VAT) specified for the purposes of the aforementioned regulations.
- 8.4 Regardless of the applicable procurement regime the contract remains a public service contract therefore the Council must ensure it complies with the core principles either in regulation 18 PCR 2015 to treat economic operators equally and without discrimination, act in a transparent and proportionate

manner and shall not artificially narrow competition, or in section 12 of the Act when it must have regard to:

- the importance of delivering value for money;
- the importance of maximising public benefit;
- the importance of sharing information for the purpose of allowing suppliers and others to understand the contracting authority's procurement policies and decisions;
- the importance of acting, and being seen to act, with integrity.

Section 12 also provides that, when carrying out covered procurement, contracting authorities must:

- treat suppliers the same unless a different treatment is justified;
- have regard to the fact that small and medium-sized enterprises may face barriers to participation and consider whether such barriers can be removed or reduced.

8.5 A compliant procurement process will also need to ensure that the best value duty under s3 of the Local Government Act 1999 is fully considered to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". This includes maximising social value in procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves.

8.6 Given the underlying services to be provided and serious Health and Safety ramifications in the performance of the service, appropriate consideration in the assessment of relevant tenders bid should take account of all of the relevant Health and Safety considerations including matters such as:

- effective Health and Safety (H&S) management standards are achieved;
- site and task-specific H&S documentation is produced by competent persons including Risk Assessment Methods Statement s(RAMS);
- providers have appropriate Employers' Liability Insurance as well as public and product liability insurance set at appropriate levels for the relevant H&S risks;
- compliance with all industry guidance (statutory and non- statutory) applicable to the delivery of Solar PV Panel O&M services

8.7 It should be noted that as the owner of many of the sites mentioned, the Council will have responsibility under the Construction (Design and Management) Regulations 2015 to check and ensure the roof access is safe to access for the eventual provider.

8.8 Legal advice and support will be provided to support with the drafting of the contracting arrangements to be put in place.

Richard Bines (Solicitor) Contracts and Commercial Team - 06.11.2024

9 Procurement Comments

9.1 Procurement will work with the client team to carry out the procurement exercises set out in the recommendations. Procurement activity will be carried out in line with the Public Contracts Regulations 2015 or the Procurement Regulations 2024 depending on when the tenders are published. Of the

tender required, we would consider it as a tender for new Repairs and Maintenance contract. This will most likely be an open procedure. Cashable savings are unlikely against previous costs; however, the tender may be able to demonstrate savings against a rising market

Sue Oliver, Category Manager for Places - 09/08/2024

10 Crime and Disorder Implications (If Applicable)

10.1 N/A

11 Social value considerations

11.1 Continued reduced carbon emissions for Nottingham City residents and visitors.

11.2 Continued electricity savings for Nottingham City Council and tenants of social homes with solar PV installed.

11.3 Local employment - as a result 3-year maintenance contract with a stipulation of local employment within the invitation to tender.

12 Regard to the NHS Constitution (If Applicable)

12.1 N/A

13 Equality Impact Assessment (EIA)

13.1 An EIA has been undertaken and due regard will be given to any implications identified in it.

14 Data Protection Impact Assessment (DPIA)

14.1 A DPIA has been undertaken and due regard will be given to any implications identified in it.

15 Carbon Impact Assessment (CIA)

15.1 A CIA has been undertaken and due regard will be given to any implications identified in it.

16 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

16.1 None.

17 Published documents referred to in this report

17.1 None.

Appendix A: Domestic solar PV Feed-in-Tariff (FiT) income

Domestic solar PV is split into two phases, phase 1 and phase 2:

Phase 1 was funded via the Housing Revenue Account (HRA), and all FiT income is allocated to the HRA. The HRA provides an annual budget to operate and maintain the assets. All maintenance works will be re-charged back to the HRA quarterly.

The average FiT income received for phase 1 since the solar assets were installed is **£1.2m**

The average FiT income received for phase 2 is **£0.25m**

Appendix B: Commercial solar PV FiT income and bill savings

Nottingham City Councils commercial solar PV systems generate in the region of £0.096m per year and saves the authority approximately £0.14m per year in electricity savings, the figure of £0.14m from electricity savings were the actual savings in financial year 2023/24. This figure may increase or decrease in line with energy costs.

Table 1 - 2023/24 FiT actual income and commercial bill savings

Month	Generation	Carbon savings (CO2e) (tonnes)	FiT	Export	FiT & Export revenue	Bill savings	Total revenue
Apr-23	96,639	20.01	£ 11,260	£ 658	£ 11,918	£ 17,566	£ 29,484
May-23	119,251	24.69	£ 13,627	£ 792	£ 14,419	£ 21,728	£ 36,147
Jun-23	129,542	26.82	£ 14,827	£ 883	£ 15,710	£ 23,640	£ 39,350
Jul-23	101,384	20.99	£ 10,979	£ 715	£ 11,693	£ 19,188	£ 30,881
Aug-23	94,544	19.58	£ 10,420	£ 678	£ 11,098	£ 17,940	£ 29,038
Sep-23	68,758	14.24	£ 7,917	£ 530	£ 8,447	£ 12,908	£ 21,355
Oct-23	41,116	8.51	£ 4,752	£ 655	£ 5,407	£ 7,688	£ 13,095
Nov-23	22,668	4.69	£ 2,815	£ 426	£ 3,242	£ 4,125	£ 7,367
Dec-23	9,397	1.95	£ 1,147	£ 178	£ 1,325	£ 1,695	£ 3,020
Jan-24	18,761	3.88	£ 2,290	£ 354	£ 2,645	£ 3,417	£ 6,062
Feb-24	27,136	5.62	£ 3,158	£ 470	£ 3,628	£ 4,962	£ 8,590
Mar-24	53,139	11.00	£ 5,912	£ 806	£ 6,719	£ 9,976	£ 16,694
Total	782,334	162.00	£ 89,105	£ 7,144	£ 96,249	£ 144,834	£ 241,082

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