

Public Document Pack

Nottingham City Council

Commissioning and Procurement Executive Committee

Minutes of the meeting held at Loxley House, Station Street, Nottingham, NG2 3NG on 10 December 2024 from 9.30 am - 9.58 am

Membership

Present

Councillor Linda Woodings (Chair)
Councillor Jay Hayes (Vice Chair)
Councillor Cheryl Barnard
Councillor Ethan Radford

Absent

Councillor Corall Jenkins
Councillor Pavlos Kotsonis

Colleagues, partners and others in attendance:

Beth Brown - Director of Legal and Governance
Dawn Cafferty - Head of Procurement
Ken France - Head of Fleet and Depot Operations
Roisin Hickey - Energy Projects Officer (Solar Hub)
Mark Leavesley - Governance Officer
Mary Lester - Director for Resident Services
Neil Lindsay-Taylor - Leasehold Manager
Jorge Santana - Low Carbon Energy Projects Manager

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 19/12/2024. Decisions cannot be implemented until the working day after this date.

52 Apologies for absence

Councillor Jenkins) other business
Councillor Kotsonis)

53 Declarations of interests

None.

54 Minutes

The minutes of the last meeting held on 12 November 2024 were agreed as a correct record and were signed by the Chair.

55 Workwear and hand tools corporate contract - key decision

Ken France, Head of Fleet and Depot Operations, presented the report and stated the following:

- a) 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;

- b) to not procure and provide PPE would be a breach of the Personal Protective Equipment at Work Regulations 1992 (amended 6 April 2022 to include PPE for limb workers) and would leave the council liable for statutory intervention from the Health and Safety Executive, including fines (which are not insured and unlimited) and imprisonment;
- c) 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, noting that most claims are met from Council funds.

Resolved to

- (1) approve undertaking a full tender process to procure a framework for the supply of workwear, uniforms, PPE and handheld tools, covering 2025-29 but 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) delegate authority to the Strategic Director of Resident Services to call-off from the framework.**

Reasons for recommendations

- (a) 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.
- (b) 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.

Other options considered

- (a) 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.
- (b) In addition, this would be a breach of the Personal Protective Equipment at Work Regulations 1992 (amended 6 April 2022 to include PPE for limb workers).

56 Approval to tender for solar PV operation and maintenance services - key decision

Roisin Hickey, Energy Projects Officer (Solar Hub), presented the report and stated the following:

- (a) 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;

- (b) 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;
- (c) 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;
- (d) 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 of the report;
- (e) 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 also detailed in Table 1 of the report;
- (f) 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 Medium Term Financial Planning;

- (g) currently, an annual payment of approximately £220,000 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;
- (h) 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;
- (i) 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., and a detailed breakdown of the forecast for domestic and commercial solar assets is detailed in sections 2.3 and 2.4 of the report.

In response to questions, the following was also stated:

- (j) there will be separate audit trails for HRA and General Fund assets;
- (k) the figure of £3,272,576 in paragraph 8.1 of the report has been revised since the legal comments were obtained and the figure of £2,299,498 (as per recommendation 1) is now the correct one.

Resolved to

- (1) approve tendering for a 3-year contract, with a spend of up to £2,299,498, to procure a solar PV operation and maintenance service;**
- (2) delegate authority to the Director of Environment Sustainability to tender, award and enter into the contract;**
- (3) 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 Medium Term Financial Planning.**

Reasons for recommendations

- (a) 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.
- (b) 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.
- (c) 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.

Other options considered

- (a) 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.
- (b) 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.

57 Exclusion of the public

The Committee agreed to exclude 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 outweighed the public interest in disclosing the information, as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Act.

58 Housing disrepair claims: external legal support - key decision

The Committee approved the recommendations as per the fully exempt report.

59 District Heating Strategy: budget and procurement approval - key decision

The Committee approved the recommendations as per the fully exempt report.

This page is intentionally left blank