

**Report of:** Director of Environment and Housing

**Report to:** Executive Board

**Date:** 23<sup>rd</sup> of September 2015

**Subject:** Project to establish a Leeds domestic energy services company (LESCo)

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? <i>If relevant, access to information procedure rule number: N/A</i> <i>Appendix number – N/A</i>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. Leeds City Council has identified an opportunity to form an energy services company (ESCo) in partnership with an existing licenced energy supplier. The council can use this ESCo to sell gas and electricity to domestic customers.
2. The main advantage of this ESCo arrangement is that the council can offer lower cost energy tariffs to all Leeds residents with fair, consistent, and transparent pricing policies. This could save the average Leeds resident between £100 and £200 annually. This would be achieved by: switching people to more competitive rates; tapping into cheap or no cost marketing options; and, by ensuring that the ESCo's business activities were streamlined to avoid expensive bureaucracy.
3. The ESCo will provide other benefits including but not limited to:
  - Switching people from pre-payment meters to 'smart' pay-as-you-go alternatives;
  - Providing a route to market for local renewable electricity schemes; and,
  - Cost neutrality for the council.
4. The ESCo will be responsible for all customer accounts and energy market regulatory compliance whereas the council will be responsible for marketing and promotion. This includes using our trusted brand to promote the service to all residents in Leeds, both directly and via our partners. Council houses will be automatically switched to the new company during the voids process so that new tenants immediately benefit from lower tariffs.

5. Creating this new energy company will help address two of the council's six core objectives for the city under the Best Council Plan 2015-20: to support communities and tackle poverty and to promote sustainable and inclusive economic growth.
6. This initiative will also provide valuable learning that will improve the council's knowledge and understanding of ESCo business models ahead of future endeavours to potentially market and sell heat sourced from the 'recycling and energy recovery facility' (RERF) in the Aire Valley to social housing tenants.
7. Executive Board approval is now sought to undertake an open, competitive process to enable the appointment of a partner who the council can work with to take these plans to fruition.

## **Recommendations**

8. Members of the Executive Board are recommended to:
  - Note the contents of this report;
  - Approve the council conducting an open competition to enable the identification of a suitable organisation to partner with, under formal contract; and,
  - Delegate authority to the Director of Environment & Housing to conduct the competitive process referred to above, and to negotiate and agree the resulting formal contract and all ancillary matters/documents.

### **1 Purpose of this report**

- 1.1 The purpose of this report is to introduce the underpinning concepts of the Leeds domestic energy services company (LESCo) project and to discuss and explain the proposed next steps, with the intention of securing the support of the Executive Board to proceed as planned with the scheme.
- 1.2 The report also focuses on some of the cross linkages and interdependencies that this project shares with the council's wider objectives around the breakthrough projects programme.

### **2 Background information**

- 2.1 In 2013, 11.6% of households in Leeds were defined as fuel poor, compared to 10.4% of English households. As a result, the council is working on practical programmes to help people to afford to heat and power their homes. This is based on a three pronged approach:
  - Improving the energy efficiency of all homes in Leeds in order to reduce home energy demand;
  - Supporting vulnerable people in crisis, or at risk of crisis, to reduce the immediate suffering caused by fuel poverty; and,
  - Reducing the cost of fuel and as a consequence increasing disposable incomes in the city.

- 2.2 Work to date has predominantly focussed on helping people to insulate their homes and install modern, controllable heating. However, the council also works in partnership with Groundwork, Care & Repair, the NHS, and a range of other public and third sector partners to identify vulnerable people and support them to improve the energy efficiency of their homes. Therefore, the council's current and historical work has focussed on the first two priorities listed above.
- 2.3 The council now wants to take action to reduce the number of people paying too much for each unit of energy they consume, to more holistically address the third priority. For the reasons detailed in this report, it is believed that the best way to achieve this is to establish a new local energy supply offer, which can provide fair and competitively priced energy supplies supported by a programme of smart meter installations and a further link to focussed energy advice.
- 2.4 Linked to the above, for a number of years the council has been tracking developments in respect of advances made towards empowering public sector bodies to form ESCo's (either directly or indirectly via a 3<sup>rd</sup> party). Until recently, relatively few options have existed and those that did focussed on the following:
- Council-led ESCo's that generate and sell heat through district heat networks;
  - Small-scale community energy schemes – usually based on hydroelectric technologies – that export energy to the Grid and either pass the benefits to community shareholders or supply the electricity direct via local private wires;
  - 'Licence Lite', which is a lighter touch licensing option;
  - Basic 'white label' arrangements that offer little flexibility (a white label service being a service produced by one company – the 'producer' – that other companies – the 'marketers' – rebrand to make it appear as if they had made it); and,
  - 'Self-supply' (full licencing), which involves a complex, investment heavy, and inherently risky process but offers complete control and independence.
- 2.5 Previously, the council has tried to engage in collective switching initiatives to group together city residents and transfer them *en masse* to the best domestic energy deals at that given point in time. However, these efforts have been largely met with indifference and uptake has been relatively poor and lacking in impetus. The reason for this is predominantly down to issues around consumer trust. Switching routinely involves moving from one 'big 6' energy supply company to another but there is a crisis of trust in mainstream energy companies, as demonstrated by results from 2015's industry-wide and well-respected 'TrustBarometer', which is coordinated by Edelman and canvasses the views of relevant stakeholders. This showed that just 1 in 3 people have 'trust' in energy companies.
- 2.6 However, a new route to market has been identified that essentially involves an existing energy provider 'loaning' out its licences and regulatory approvals and in addition, opening up access to its specialist back office functions. These types of arrangements also provide the flexibility of allowing local authorities the ability to

brand and market their own energy supply company to prospective customers in the locality and to influence and structure their own highly competitive tariffs. Effectively, these are a more flexible evolution of the white labelling model described in section 2.4 of this report.

- 2.7 This new route allows the council to partner with a 3<sup>rd</sup> party to reduce the risk profile of taking on such a novel venture, whilst still providing us with the capacity to drive the initiative in line with the council's own vision and aspirations.
- 2.8 The key precept of the initiative would be to save customers money. Whilst such a company may not always be able to offer the very lowest tariff available on the market, the core aim of the LESCO project would be to consistently provide highly competitive prices. Indeed, there is widespread recognition that a large proportion of domestic energy customers are paying a premium to cover their household fuel bills. Much of this is due to the prevalence of standard variable tariffs where unit rates are disproportionately high. Customers with a history of never switching – or those that don't switch regularly – are prime targets for the LESCO project and the majority of domestic energy customers fall under this bracket (the industry refers to them as 'sticky customers').
- 2.9 In terms of anticipated savings, we would expect that in cases where prospective customers have never switched, significant savings in the region of £100-£200 per annum could be achieved for those households. Thereafter, the new company would seek to retain customers via its focus and commitment to continuously offer equitable and transparent pricing alongside market leading customer services.
- 2.10 The LESCO offer would be open to all domestic customers. However, a core focus would be to address the sizeable proportion of council house residents that are saddled with so-called 'dumb' pre-payment meters. These have been installed for a variety of reasons, such as bad debt or a householder perception that they help them to budget more effectively.
- 2.11 In reality, dumb prepayment meters are very expensive, inconvenient, customers can run out of energy if they don't monitor their usage closely, and they do not allow customers to spread payments across the year.
- 2.12 The council recognises that it is grossly unfair that the most vulnerable, poorest subsets of society are often afflicted with having to pay the highest costs for their energy. The council wants to prioritise solutions that can help to overcome some of the associated problems.

### **3 Main issues**

- 3.1 Once it was identified that some degree of market existed for the types of services identified in section 2, the next step was to probe its depth and capacity to assess how mature the marketplace currently is. As such, a soft market test (SMT) was undertaken to ascertain both the interest levels in the proposed venture and the industry's aptitude for providing the types of services required (N.B. the SMT documents can be perused via appendices I & II). The SMT saw only 3 submissions being received, which shows that this is still very much a fledgling industry. However, the exercise has confirmed that a competitive market exists and hence, to pursue the project further the council must now put together a formal competitive process to allow the council to appoint a partner.

3.2 The basic structure of the partnership is envisaged to be composed as per the diagram shown in figure 1:

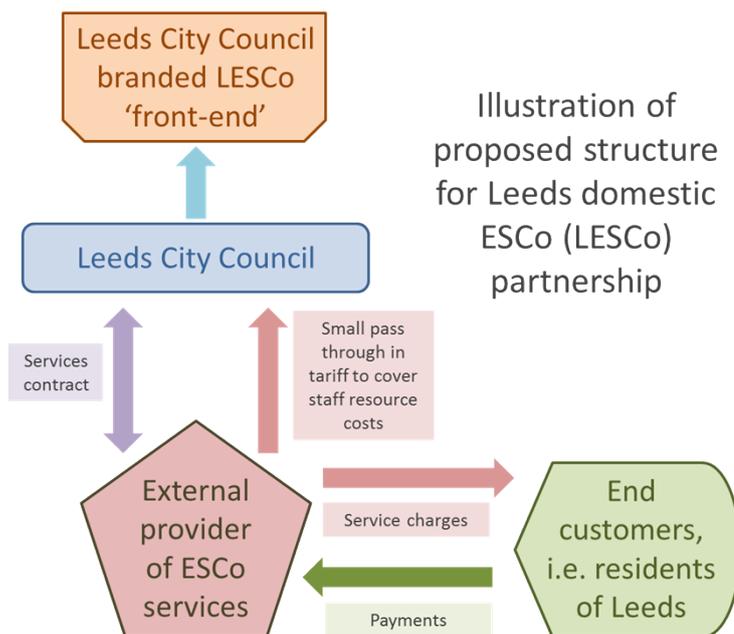


Figure 1 – Proposed structure for LESCo partnership

3.3 The council will provide the following opportunities to its chosen partner:

- **Endorsement** – The council brand can be a powerful tool to secure public confidence. This stems from the fact that the council can be trusted to deliver services in a fair and professional manner. Any partnering arrangement can tap into this goodwill towards the council and in doing so access customers that might not be willing to engage in collective switching campaigns and such like due to the distrust of mainstream energy providers.
- **Voids** – Generally, tenancy turnover for council housing is circa 10% per annum, which equates to just under around 5,500 ‘voids’ being created annually, wherein houses are empty for a short period prior to them being subsequently re-let. The average void timeframe is around 4 weeks and this presents an ideal opportunity to:
  - Automatically switch properties to the new domestic ESCo; and,
  - Install ‘smart’ PAYG meters to replace any ‘dumb’ pre-payment meters that may be present and potentially, standard meters as well.

Annually, this approach should provide a low cost yet sizeable addition to the customer base of the company.

- **New builds** – The council is presently undertaking a capital programme that is seeking to construct a number of new council homes during the next few years. Some will be private finance initiative (PFI) driven, whereas the remainder will be developed specifically by the council. There are opportunities for those homes to be automatically defaulted to the new LESCo so that new tenants reap the benefits from day one. This will also help the LESCo to add to its customer base. It is anticipated that around 400-500 new homes could be commissioned and handed over in the 2 to 3

years that follow on from the point of LESCo commencement and there will be further opportunities falling out of the city’s core strategy work.

- **Marketing** – The council has a plethora of marketing options accessible to a potential partnership of this nature. This offers unique advertising routes that could be used to reach a wide audience through many different modes of communication. In addition, the council would help to facilitate promotion of the ESCo offer through existing city partners, such as housing association tenants, NHS workers, university students, and indeed, the council’s own staff.

3.4 However, the council will not be able to source its own energy through this agreement due to procurement regulations, which necessitate that its direct requirements must be tendered under the Official Journal of the European Union (OJEU) regime.

3.5 It is anticipated that the by the end of year 1 a customer base of between 7,500 and 10,000 households should be established. An indicative roadmap for how this might be achieved is shown in table 1. The LESCo will be scaleable and shall be developed through both proactive marketing and word of mouth. This will maintain the forward momentum and secure additional customers.

Customer acquisition channel	Rough conversion	Year 1 customers
Council house voids	90%	5,000
Council tenants	5%	2,500
Partnership with other social housing providers	5%	500
Council/partner staff	3%	1,000
Debt advice referrals (contact centre, CAB, etc.)	10%	300
Energy grant recipients (BHY, green doctor, etc.)	20%	200
Privately rented/owned homes	0.2%	500
	<b>Total</b>	<b>10,000</b>

*Table 1 – customer acquisition channels*

3.6 In the case of savings to future customers, if a conservative figure of £100 per annum is used as the average annual saving, and a diminishing rate of yearly customer acquisition applied from a starting point of 7,500 in year 1, then it can be extrapolated that the following may be achievable as an overall 5 year saving:

Year 1 - 7,500 customers \* £100 = £0.75m  
 Year 2 - 12,500 customers \* £100 = £1.25m  
 Year 3 – 15,000 customers \* £100 = £1.50m  
 Year 4 - 17,500 customers \* £100 = £1.75m  
 Year 5 - 20,000 customers \* £100 = £2.00m  
**5 year total = ~£7.25m**

3.7 The ultimate goal is to create a company that provides an opportunity for Leeds residents to access fair and transparent energy pricing and market leading customer services. It is considered that this will be an attractive prospect and given that there are approximately 320,000 homes in Leeds, if only a small percentage of these were to switch to the LESCo, it is likely that this work would go some way towards supporting the council’s stated aims regarding fuel poverty

alleviation. Obtaining 20,000 customers would relate to around 6.25% of the city's market share and this is seen as a realistic reflection of what could be achieved if the LESCo project can generate the success levels expected.

- 3.8 Such a take-up would create substantial savings for the city's residents, which would elevate their disposable income, with the potential that a large proportion of the savings may then be spent within the local or regional economy. It is worthwhile to note that the introduction of Universal Credit (UC) initiative shares cross-linkages with the LESCo scheme. UC is a single monthly payment for people in and out of work, which merges together all benefits and tax credits. LESCo customers will make cashable savings on their energy bills, which will serve to supplement their overall household budgets and hence, is highly beneficial to all concerned.
- 3.9 Although the primary aim of this scheme is to tackle fuel poverty issues, there is also a low carbon aspect to some of this work. For example, as part of the smart meter roll-out under the partnership, recipients would be issued with 'in-home display' (IHD) units. These communicate directly with meters, wirelessly, allowing users to access visually appealing and helpful data, which in turn encourages them to actively address their consumption habits. Research has shown that this markedly increases the likelihood that householders will reduce their energy use. In doing so, CO<sub>2</sub> savings can go hand in hand with the cost savings.
- 3.10 In addition, there is also a possibility that the partnership will open up opportunities for channelling Energy Companies Obligation (ECO) funding, which could be used to deliver energy efficiency schemes that might otherwise be financially unviable. ECO is a government scheme that obligates larger suppliers to deliver energy efficiency measures to domestic premises in Britain. It's possible (but not guaranteed) that our partner will be a larger supplier that falls under the ECO regimen, either directly or as part of a consortium.
- 3.11 This scheme will unlock doors in respect of enabling the council to compel the partner to work on behalf of the LESCo to proactively source power from local generators through 'power purchase agreements' (PPAs). This could provide investment surety for prospective local generators (e.g. community energy schemes). There is also a possibility that PPAs could lead to a reduction in LESCo tariffs since electricity sourced from renewables is generally cheaper to generate. Such benefits would be passed on to customers. There would be good publicity engendered in selling the concept of providing locally produced power to local people.
- 3.12 A high level timetable showing key milestones for the project is shown in table 2 (N.B. a more detailed programme is given in appendix III):

Key milestones	Date
Executive board decision	23/09/15
Competition advertised to market	05/10/15
Bids received & subsequently evaluated	16/11/15
Contract award & business strategy development	18/12/15
Initiation of launch phase	12/01/16
LESCo 'go-live' date	01/04/16

Table 2 – high level timetable for LESCo development

- 3.13 It should be noted that regionally a paper was taken to the Leeds City Region (LCR) Green Economy Panel in April this year regarding municipal energy companies. Discussions between LCR partners are currently at an early stage but there are plans to conduct an options appraisal investigating the potential for different models of municipal energy companies and the geography at which they could operate most effectively. The council's understanding is that the types of partnerships that we are looking at would not be open to pan-regional participation due to restrictions associated with Ofgem regulatory derogations for schemes of this nature, which are meant to be focussed specifically on local offers. In addition, the council wants to move quickly with the LESCo concept and as such, wishes to proceed as planned with a Leeds centric scheme at this stage. Nevertheless, the council will seek clarity – through its competitive process – on potential future opportunities to open up access to the tariffs more widely.
- 3.14 There is also a possibility that the LESCo will be able to offer tariffs to small and medium sized enterprises (SMEs) across the city. The feasibility of such an approach will be investigated at competition stage.
- 3.15 A further benefit falling out of the LESCo concerns possible synergies with proposed offshoots of the RERF currently under construction in the Aire Valley. This flagship project will create usable heat as a by-product and there are plans to pipe it through to social housing on the periphery of the city centre, as part of essential heating system upgrades to tower blocks, and also to potential public and private sector partners in the vicinity as well. If the proposed LESCo proved incapable of modification to support such initiatives, a similar ESCo type arrangement would need to be created to cover this anticipated acquisition and disposal of heat from the RERF, which is scheduled to be fully commissioned during the current financial year. As such, by pursuing the LESCo partnership now the council will better equip itself with some of the expertise and technical industry specific understanding that it needs in order to establish a successful delivery vehicle for social housing heat supply during the next financial year.
- 3.16 Also pertinent to this scheme, a successful joint funding bid with the University of Leeds has been awarded £10,000 from September 2015 to research the acceptability of interventions at a scale of around 10,000 households over 3 years, to see if and how smart meter data/feedback, in combination with other behavioural interventions, changes household energy use over time, and which combinations of interventions have the optimum effects. This initial piece of research will then form the basis of a further proposal to the Horizon 2020 'Secure, Clean, & Efficient Energy' workstream in January 2016. This is in collaboration with other European universities, who will conduct detailed research into smart meters and achieving effective behaviour change in energy use at scale. If both funding applications are successful, areas within Leeds will benefit from the smart meter research.

## **4 Corporate considerations**

### **4.1 Consultation & engagement**

- 4.1.1 The environment programme board (EPB) was consulted prior to a precursory soft market testing exercise. Key individuals were kept abreast of the draft executive board's content as it was developed so that their views could be incorporated.

4.1.2 Senior staff in Housing Leeds have also been consulted, as have relevant elected members (including the 'Executive Member for Regeneration, Transport, & Planning', the 'Executive Member for Communities', and the 'Chair of the Affordable Warmth Partnership').

4.1.3 In addition, the 2014 'survey of tenants & residents' (STAR) received responses from over 10,000 council tenants. Of these, 41% said that they had difficulty affording energy bills and 40% said the heating and insulation of their homes was poor. Their response to the following question was as the per the bullet-points listed immediately below:

*"The council wants to provide better value energy to all households in Leeds. One option is for the council to supply energy, either by setting up a new local energy company or creating a partnership with an existing energy company. This would aim to offer simple tariffs, no introductory offers or other gimmicks and to stop overcharging for pre-payment meters. Would you be interested in signing up to this company?"*

- Yes - 37%
- Maybe - 45%
- No - 18%

4.1.4 The above shows that there is an appetite within the local domestic market for a scheme like this, which improves the probability that the LESCo concept will take off quickly post-launch.

4.1.5 The council has also engaged with some of the larger registered social landlords in the city and there has been some positive interest expressed in supporting the LESCo scheme, which may bolster the LESCo customer acquisition strategy.

## **4.2 Equality & diversity / cohesion & integration**

4.2.1 A screening document has been prepared and an independent impact assessment is not required for the approvals requested. The screening showed that this service would have an overwhelmingly positive impact, particularly on some of the poorest people in society who currently pay over the odds for energy via dumb prepayment meters.

4.2.2 The screening document is included with the report as appendix IV and will subsequently be sent to the equality team to be approved and published.

## **4.3 Council policies & best council plan**

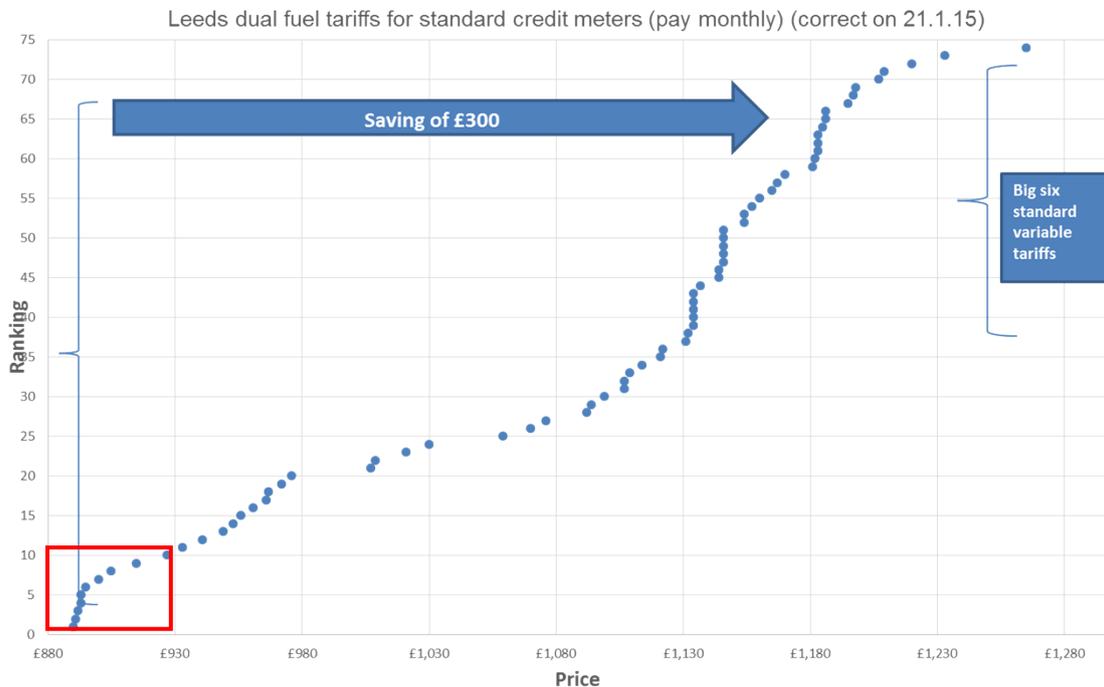
4.3.1 This scheme has obvious synergies with the aspirations set out in the Best Council Plan 2015-20; in particular, the first two objectives of the council's overall list of 6, which were declared for 2015/16:

1. Supporting communities and tackling poverty.
2. Promoting sustainable and inclusive economic growth.

- 4.3.2 Indeed, the council has made public commitments to address fuel poverty concerns. Under the auspices of the city's Affordable Warmth Partnership, there is a stated aim to improve the health and wellbeing of vulnerable people through action on increasing affordable warmth and this project supports that aspiration.
- 4.3.3 In addition, the council is committed to reducing citywide carbon emissions by 40% between 2005 and 2020 and has already made significant progress towards this target. Indeed, the council considers CO<sub>2</sub> emissions to be a crucial challenge facing the city and this has culminated in the creation of a 'breakthrough project' – under the Best Council Plan 2015-20 – titled 'Cutting Carbon in Leeds', 1 of 7 priority council projects.
- 4.3.4 The LESCo initiative has a part to play in the delivery of this breakthrough project, as per items 3.9 to 3.11 of this report.

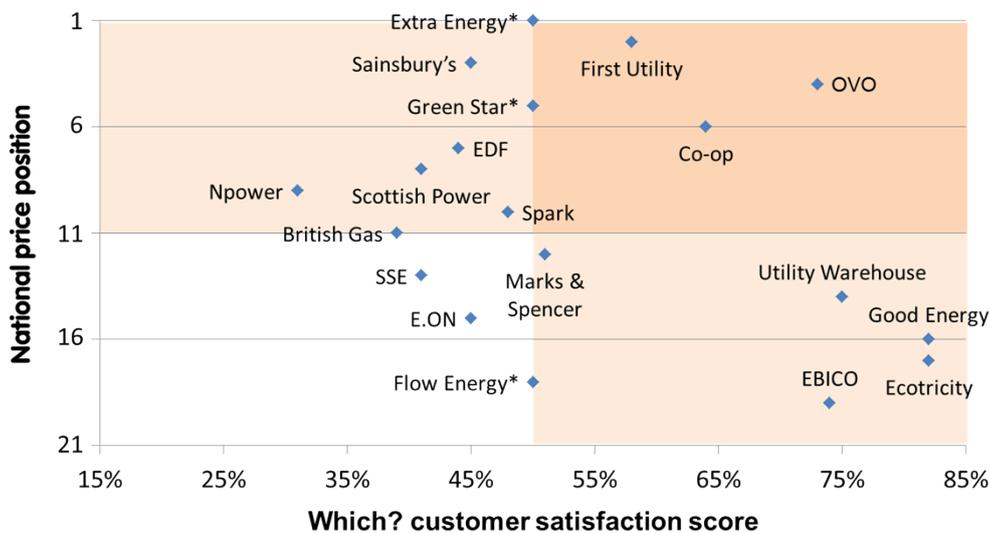
#### **4.4 Resources & value for money**

- 4.4.1 One of the key criteria for this scheme is that there must be zero upfront and on-going transactional costs, falling directly out of the partnership, borne by the council during the formation and subsequent operation of the new ESCo.
- 4.4.2 The only revenue costs the council would incur are attributable to the staffing requirement needed to help coordinate marketing and customer acquisition and generally, to manage the contractual performance elements against the agreed key performance indicators (KPIs).
- 4.4.3 From the council's perspective, this partnership could potentially be a net income generator in the medium to long-term. Nevertheless, even in the short-term the combination of costs within the partner's remit – when aggregated – will be sufficiently lean such that the overall tariff, including any council uplift to cover council costs (anticipated to be approx. £250,000 per annum), will still offer competitiveness when compared to the marketplace's lowest cost options at any given point in time.
- 4.4.4 In terms of justifying the savings that could be accrued by customers in the locality that switch to the LESCo, the area marked out by a red square in graph 1 shows the price point range that the council would wish to operate within for its direct debit tariffs. Indeed, for all of its chosen tariffs the LESCo would look to offer rates that fell within the market's top 10 ranking at any given point in time.
- 4.4.5 Savings will be made by switching customers away from standard variable tariffs wherever possible and ensuring that the tariffs for any pre-payment users are kept as low as possible. The LESCo will be able to directly influence tariff structuring and will actively monitor the partner's wholesale energy buying performance via rigorous KPIs. Profit margins will also be strictly controlled and the partnership will maintain efficient business practices and processes to stay lean and reduce unnecessary, costly bureaucracy.



Graph 1 – snapshot of market pricing (source: Energy Linx regulatory dates 21/1/2015)

4.4.6 Competitive pricing will be bolstered by a high level of customer service to create an optimum blend that provides overall value for money. In terms of graph 2, we would wish to maintain a position in the top right-hand quadrant by enforcing an effective performance management regime focussed on: access to information; good communication; quick, reliable, and high quality call handling; and, use of online resources and smart device applications.



Graph 2 - Which? Energy Satisfaction Survey 2014

## 4.5 Legal implications, access to information, and call-in

4.5.1 Given the income forecast to be accrued via tariff charges to cover the council's internal costs, this is a key decision and as such, will be subject to call-in.

4.5.2 The guidance received from internal legal officers has confirmed that this process does not constitute a procurement exercise since we will not be 'buying' anything *per se*. Regardless, best practice compels the council to undertake a fair, open, and transparent competitive process that follows similar principles.

- 4.5.3 In terms of access to information rules, there is no content within this report or its associated appendices that could be considered as commercially confidential or else otherwise exempt from publication.
- 4.5.4 The council plans to recover costs identified in 4.4.3 through a small uplift on the LESCo tariffs. However, if in due course the LESCo project should attract a very high number of customers, there is the potential that any such tariff may result in a surplus being generated by the council.
- 4.5.5 The LESCo arrangement will therefore be sufficiently flexible and future proof to enable it to adapt to a changing landscape. This will be facilitated by including provisions for the LESCo structure (and the council's involvement) to be reviewed at predetermined gateways such that the council is able to remain in compliance with applicable legislation if for example there is a large increase in the rate of revenue accrual above current projections.

## **4.6 Risk management**

- 4.6.1 Overall, this is a low risk approach to reducing energy costs for residents, particularly as some of the risks associated with this project are capable of transferal to the partner, which is part of the attraction of pursuing a model like this. For example, the bad debt of customers would be the responsibility of the partner, which removes a possible financial liability. In addition, customer services would fall within the partner's remit, which moves another time intensive activity away from the council. However, although this risk would be transferred the council would take an active role in making sure that customer services were consistently maintained at an 'exceptional' level of quality. Indeed, the process to appoint the partner will specifically evaluate such elements, with a high weighting apportioned to the points scoring.
- 4.6.2 There is a risk that if the partnership starts to generate profit – which is anticipated to be a possibility should the customer base exceed approximately 15,000 customers – the LESCo arrangement will need to change its composition so that the council doesn't gain a competitive advantage from its otherwise advantageous tax position. However, as per paragraph 4.5.5 the council will be regularly reviewing the charging structure and the impacts seen so that it can respond accordingly.
- 4.6.3 It is possible that reputational risks could manifest themselves. For instance, the tariffs offered might not be competitive or the customer services could be criticised. However, the contract would look to mitigate such risks by introducing a robust performance management process, which would rely on stringent KPIs. Indeed, the primary goal of the LESCo will be to provide value for money, in terms of competitive energy pricing and industry leading customer services combined under one holistic offer. Nevertheless, the council would ensure that customers could back out of their energy supply contract at no cost and at any time if they were unhappy with the service received.

## **5 Conclusions**

- 5.1 The formation of a LESCo provides a low risk, minimal cost route for the council to tackle fuel poverty whilst also providing competitively priced, alternative energy supply options to all residents of the city.

5.2 As such, there is a sound justification for proceeding with the initiative.

## **6 Recommendations**

6.1 Members of the Executive Board are recommended to:

- Note the contents of this report;
- Approve the council conducting an open competition to enable the identification of a suitable organisation to partner with, under formal contract; and,
- Delegate authority to the Director of Environment & Housing to conduct the competitive process referred to above, and to negotiate and agree the resulting formal contract and all ancillary matters/documents.

## **7 Background documents<sup>1</sup>**

7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.