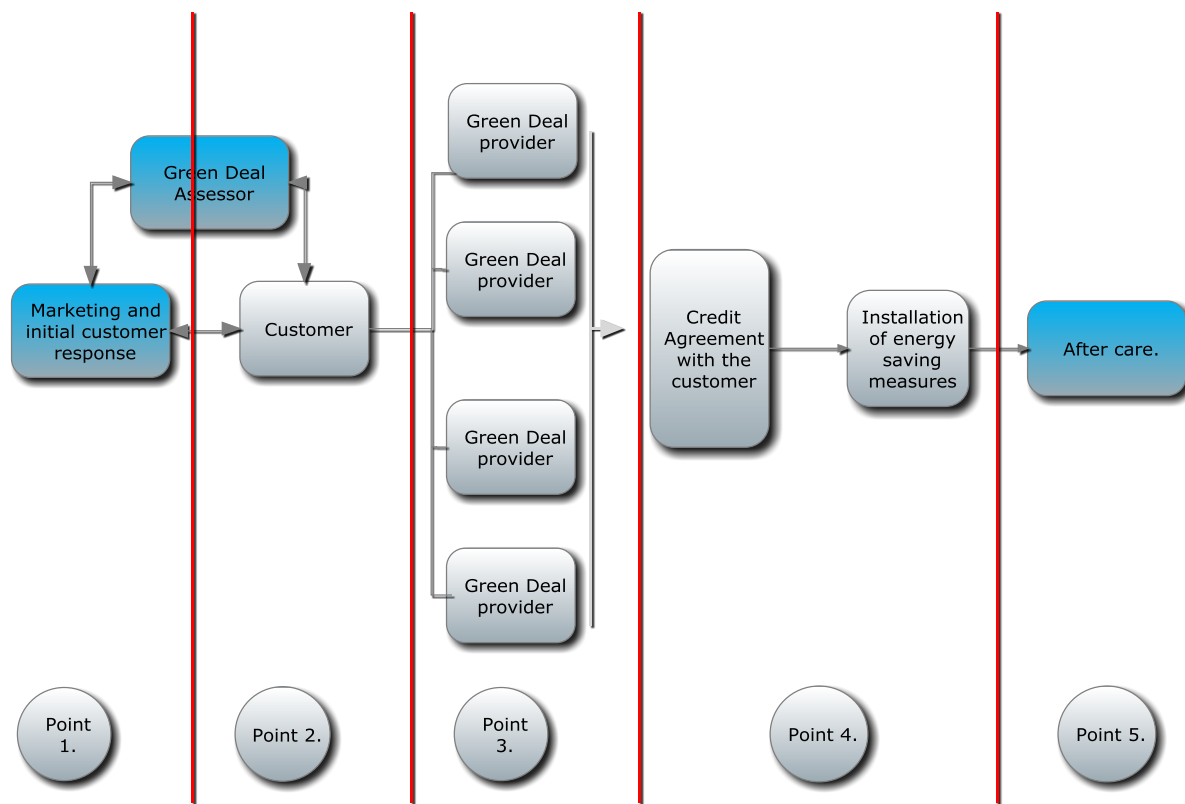


Appendix 1.

Option 4 - Partnership Working.

Delivering the Green Deal by working in partnership with a number of providers.

Structure.



See following pages for notes on Points 1 – 5 below

Specific Points:

Point 1.

Portsmouth City Council will have more control of the Green Deal within its area using the above model. We have a very good branding to ensure that our customers receive the best deal possible and by using a number of providers, we are ensuring that the risk associated with the full provider model are greatly reduced.

This type of scheme will increase the ability to employ local people to help deliver the green deal and as we are not looking to make a surplus from the scheme, the assessors will have the ability to undertake greater community involvement.

We can undertake the following within the current structure of Portsmouth City Council:

- Use of the City Help desk to provide information and populate the current database.
- Private Sector Housing can for the first 12 months, provide administration support in contacting customer, generating appointments and inputting the Green Deal assessment information.
- Marketing for the scheme can be dealt with through the current communication team and the web based information available at the moment. This includes the Portsmouth City Council web site, the Landlord Accreditation Scheme website and the Fuel Poverty smart phone application.

Green Deal Assessor.

It is proposed that the Green Deal Assessors are directly employed by Portsmouth City Council. As the financial modelling has been undertaken for 5 years and the contract with any provider will be 3 +1+1, we can through our recruitment team place people on a fix term contract.

This again will ensure that should the Green Deal not be as anticipated, Portsmouth will not be left with a bad debt.

Having direct employment means that we can ensure the assessments are undertaken in a way we require and particular emphasis can be place regarding elder or vulnerable person.

It is also seen that if the Green Deal is successful, then we can look at apprenticeships to enable young person's to train in energy efficiency measures and controls.

There may be funding available from DECC to help with starting up the Green Deal and approximately £3.5 million has been set aside for provision of training. The situation being monitored with the industry skills board, Asset Skills to ensure, if possible, we can access some of this funding.

The financial modelling has shown that if we should charge a fixed cost fee of £150.00, to offset the low anticipated take up within Portsmouth over initial period of the contract. Any surplus made would cover the after care costs, the GD assessors costs and could be used to provide further home safety related help to vulnerable person within the city as well as provide financial assistance to community groups to help promote energy savings. It could also provide direct financial help for more sustainable measures within the customers homes, such as water saving devices, removal of paving, help with starting a grow your own garden.

This fee can be onward charged to the provider and can form part of the customers Green Deal package and therefore, they would not still have to pay any costs upfront; the providers could absorb this cost themselves as part of their business model.

However, if an assessment has been produced for the customer and they wish to go to a provider, who is not endorsed by Portsmouth City Council, they will be charged the fee directly.

If after the Golden Rule assessment has been completed, the customer is not eligible for the Green Deal financing, then no change will be made.

- The cost of the GD assessment would still be free to the customer, if they use the services of one of our nominated providers. This cost could either be absorbed within the provider's business model or set against the Green Deal finance.
- Although a customer is free to decide upon who they use to obtain the Green Deal financing, if they decide to not use the providers supplied through the framework agreement, then a change should be made to the customer, which is the same as that charged to the provider.
- Should a customer not be able to access the Green Deal, due to the golden rule then no cost would be attributed to the customer

Point 2:

Green Deal Assessor and the Customer.

It is paramount that the customer journey through the Green Deal steps is structured, easy and accessible for all.

As an organisation we have set the number of visits at an achievable level, which will mean the customer has the amount of time they need with the Green Deal assessor to ensure they fully understand the concept of the Green Deal, the Golden Rule principles, the savings that could be achieved and how the financial package is set up.

The Green Deal assessor will:

- Undertakes a whole property inspection.
- Discuss with the customer their life style in respect of energy consumptions and make recommendation on how they could save energy.
- Using specialist software, provide the customer with recommendations of energy saving measures that could be installed in line with the Golden Rule.
- Explain fully how the green deal works and the financial implications for them.
- Allow the customer to ask questions.
- Provide the customer with time to look through the information, before authorising the measures to be undertaken.
- If required, help the customer to obtain any necessary permissions required to allow the measures to be installed.
- Help vulnerable persons access further funding if required to help with loft clearance, decoration (If not part of the Green Deal funding) or help them with identifying further benefits they could apply for.
- Provide a single point of contact, if required to help the customer throughout the process.
- Once the energy measures have been installed provide a full aftercare service to ensure the installations have been done correctly and discuss behavioural change in relation to energy consumption to create greater savings.
- The cost of the GD assessment would still be free to the customer, if they use the services of one of our nominated providers. This cost could either be absorbed within the provider's business model or set against the green deal finance.

- Although a customer is free to decide upon who they use to obtain the green deal financing, if they decide to not use the providers supplied through the framework agreement, then a change should be made to the customer, which is the same as that charged to the provider.
- Should a customer not be able to access the green deal, due to the golden rule then no cost would be attributed to the customer.

Point 3:

It is proposed that Portsmouth City Council undertakes a procurement exercise to find at least 4 providers from the currently known 22, who are:

- Ampere GDP
- Anglian Home Improvements
- BritishEco
- British Gas
- CarbonLow Group
- Carillion
- Empower Community
- Enact
- E.ON
- Gentoo Group
- Grafton Group
- Insta Group
- Keepmoat
- Kingfisher
- Mark Group
- ReEnergise Finance
- SIG plc
- SSE
- Stroma
- Toriga Energy
- Willmott Dixon Energy Services
- Yorkshire Energy Services

As with this type of process, Portsmouth City Council can set certain parameters, it wishes to have within the contract agreements and these could be:

- Ensure that they comply with all the current codes of practice and only use installers who have
- Installers must be local companies as far as reasonability practicable engaging local labour and supply chain.
- They will work with the installers to actively promote and assist in setting up apprenticeship schemes.

- They agree to the fixed cost for the assessment to be paid directly to Portsmouth City Council.
- Complying with set KPI.

The providers will provide the financial means to allow the customer to have the energy reductions measures to be undertaken and will be fully compliant with the legislation in line with the Energy Act 2011 and the associated secondary legislation.

It is proposed to use a framework agreement model, which normally is for a maximum of 4 years. It is felt that year 1 will be about setting the scheme up to deliver and therefore, this framework can be extended to the 5 years required by the project.

Point 4.

The chosen provider would be responsible for instigating the credit agreement between their capital funds provider and the customer.

They would also be responsible to ensure that all the businesses involved in supply and installation have been awarded the quality mark required by the Green Deal and ensure that they are providing value for money for our customers.

As a registered provider, they will have the ability to undertake the discussions with the Energy Companies in relation to and the release of funding under the ECO and ECO Affordable warmth scheme through the proposed brokerage scheme.

Point 5.

Once the measures have been installed the GD assessor would inspect the property to ensure that the customer experience had been as positive as possible.

Ensure that the customer fully understood the equipment installed, correct usage, maintenance etc.

Discuss further that it is paramount that the customers own energy behaviour changes in line with the installation measures installed.

If this does not occur, than the anticipated savings may not be achieved.