

19 September 2019

Dear,

**Notice of Intention for Dispensation of consultation requirements relating to a Qualifying Long Term Agreement for Energy Supply**

We are writing to advise that Origin Housing Limited's ("Origin") current energy supply contract expires on 30 June 2020 and so we need to enter into a new contract by that date to start on 1 July 2020.

We are planning to enter into a 'Qualifying Long Term Agreement' ("QLTA") in relation to the supply of energy (electricity and gas) to both the communal areas of most of our housing stock and in some cases the supply to individual properties ("the QLTA"). A QLTA is an agreement lasting more than one year which might require you to contribute more than £100.00 in any given year.

In nearly all cases, the QLTA will not affect individual utility contracts you may have within your own property for your electricity or gas supply. The properties whose individual supply may be affected are those where you receive a metering statement from our metering agents, Switch 2 or Sycous. If you wish to confirm whether you are affected, please let us know.

You are required to contribute, through your service charge, towards the costs of the energy supply to the communal areas of the building or estate which includes your property. The Landlord & Tenant Act 1985 states that we must consult you before entering into a QLTA unless we obtain permission from the First Tier Tribunal Property Chamber (Residential Property) to dispense with the requirement to do so. We intend to seek this dispensation and this is the reason we are writing to you.

We have in the past renewed our energy supply contracts annually. Having reviewed our energy supply and taken advice from specialist advisors, we have found that we can get better tariffs (which will be passed onto you) by entering into a three year contract.

We intend to both obtain the most competitive energy price for you and ensure customer protection. To do so, we propose inviting tenders from utility suppliers across the European Union under an industry standard process known as OJEU (Official Journal of the European Union) tendering. Our intention is to create a 'framework' under which we will have several utility providers who we will assess on both a quality and cost basis and will award contracts to the utility companies

based on how well they will be able to provide services and how competitively priced their quotes are.

The energy market is highly volatile with tariffs changing on a continuous basis. As a result of this, we need to make sure we are free to enter into an agreement on short notice if any particularly low tariffs become available. If we do not seek dispensation, we would be required to carry out two separate 30 day consultations with you. The delays caused by these consultations would make it difficult to obtain the best tariff, resulting in higher utility costs.

The method of energy procurement detailed above is considered best practice within the housing sector, and in our view, following this process serves homeowners' interests by obtaining the lowest prices for energy supply.

We invite you to make written observations in relation to this letter within 37 days of today's date; that is to say by no later than 27 October 2019.

As we will be carrying out a public consultation and anyone across the EU may respond to the OJEU tender, we are not inviting you to propose a utility supplier. However, should you wish, you may advise any third party of the proposed tender and the fact that it will be advertised shortly should they wish to respond.

If you have any questions about this letter or wish to make an observation, please either write to us at Origin Housing Limited, 110 Eversholt Street, London NW1 1BS or email [section20@originhousing.org.uk](mailto:section20@originhousing.org.uk).

We will keep a copy of this letter on our website (type 'utilities' in the search box). We will respond to all observations received to the person making the observation and (unless requested not to do so) post anonymised summaries of all observations together with our responses on our website.

We will keep you advised of developments, and to do so, we shall post updates on our website (again, type 'utilities' in the search box) and, where available, on notice boards within your building. If you would like to receive updates by post, please let us know.

Yours sincerely,

**Leor Klier**  
Home Ownership Officer



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