

Report to Cabinet
11 March 2015
Report of Executive head of service regeneration and development
Subject Collective solar auction scheme

Item

20

KEY DECISION

Purpose

To consider the establishment of a collective solar auction scheme.

Recommendation

- 1) To agree to establish a collective solar auction scheme for the city and assist other authorities to participate in a local auction for Norfolk
- 2) To delegate authority to the executive head of service regeneration and development to award a contract with the chosen partner in liaison with the cabinet member for environment and development.

Corporate and service priorities

The report helps to meet the corporate priority – Safe Clean and Low Carbon City.

Financial implications

The additional costs of establishing the scheme can be met either from the scheme or from within existing budgets.

Ward/s: All wards

Cabinet member: Councillor Stonard – Cabinet member for environment, development and transport

Contact officers

David Moorcroft, executive head of service regeneration and development 01603 212908

Richard Willson, environmental strategy manager 01603 212312

Background documents

None

Report

Background

1. Norwich City Council has carried out a range of work to help its citizens reduce their gas and electricity bills in line with its environmental and affordable warmth strategies. This has included a number of successful programmes to enable citizens to increase their energy efficiency and to benefit from grant aid or other targeted help for the most vulnerable households. The authority was the first city to help citizens switch their energy supplier via its “Big Switch and Save programme”, now it is planned to become the first city in the UK to undertake a collective solar auction scheme.
2. It is now proposed that the council establishes a collective solar auction for the city to enable households across Norwich to easily engage with the solar photo voltaic (PV) market and get the best deal for their PV system.
3. Collective solar PV auctions occurs when a group of likeminded citizens band together to negotiate a better deal with a PV supplier. A third party (in this case Norwich City Council) sets up the group with the help of a specialist partner and then negotiates a better deal on behalf of the consumers they represent. The offer is then presented back to the group for householders to decide whether to accept or not.
4. Evidence from schemes in Europe suggests that citizens can reduce the cost of a PV system by up to 20% because they can collectively benefit from group savings from the mass purchase of PV's as well as installation.
5. Experience from both the Cosy City and Switch and save programmes suggests that customers may prefer a scheme which is associated and accredited to their local authority. Some citizens may find the technology, FIT (Feed-in-tariff) or other aspects of the installation complex and as such would appreciate the support and reassurance of such a scheme being led by Norwich City Council.
6. The scheme will be marketed in a similar way to our existing “Switch and Save” programme. The scheme is a UK first and will likely benefit from first mover advantage/ recognition.
7. The scheme will aim to install 400 PV systems in 2015. An auction will take place in June and delivery will commence in September.
8. In other parts of Europe collective solar auctions are common place and have been widely applied resulting in savings for citizens.

Proposed approach to running a scheme in Norwich

9. The proposed approach to running a collective solar auction in Norwich would be to procure a specialist partner who would work with the council to run a marketing/ communication tranche each leading to an auction.

10. It is expected the partner would:

- Market the scheme effectively to citizens of Norwich through appropriate methods in liaison/ coordination with the council
- Handle enquires on the scheme and sign up interested citizens
- Carry out the negotiation with the market to identify the lowest costs through appropriate methods e.g. an auction
- Complete the handover process with the successful company for citizens who wish to go ahead
- Carry out the necessary supporting activities in line with the points above.

11. It is expected that the council would:

- Provide overall project management for the scheme
- Provide communications support/ advice for the marketing activities and access to council communications channels e.g. Citizen etc
- Highlight /signpost the scheme to citizens who may be interested through frontline employees who regularly engage with customers e.g. customer contact agents, housing officers etc. Briefing packs would be provided to assist with this.
- Provide events and activities which support the programme
- Provide additional support/ advice for vulnerable citizens who may be interested in the scheme.

12. A tender process has been commenced for a partner and if approved by cabinet a contract will be entered into with the chosen provider.

Timescales and resourcing

13. The detailed timescales would need to be agreed with the chosen partner. However, the key planned overall timescales are summarised in the table below:

No	Milestone	Timescale
1	Cabinet agree to establish a scheme for Norwich and delegate authority to sign a contract with the chosen partner	March 2015
2	Contract awarded to chosen provider	March 2015
3	Develop a network of interested suppliers	Ongoing till June 2015
4	Marketing/ communication tranche	May 2015
5	Go to the market for the deal (energy auction etc)	June 2015

6	Present the first tranche deal to citizens and they decide whether to switch energy provider	July 2015
7	End Campaign	Sept 2015
8	Install	Ongoing from Sept 2015

14. The main resourcing requirements for the council in establishing a scheme in Norwich, in addition to existing staff time, are for additional communications, design and printing costs to support the marketing / communication of the scheme. The budget for these activities will be proved by the chosen supplier to cover these costs.
15. The partner will receive a fee from the successful installer for each household who installs a PV system. This fee will be made very clear to interested citizens as part of the marketing and communication of the scheme.
16. The council will receive a proportion of this from the partner in the form of a referral fee for each household who completes the installation process which could cover the costs involved for the council. The amount of the referral fee will be determined by the tender process.
17. This means that the council will incur no costs to run the scheme.

Benefits of establishing a scheme in Norwich

18. The main benefit in establishing a scheme in Norwich is to provide households across the city with an opportunity to buy solar PV systems for below market costs. This supports our low carbon city aspirations within the council's environmental strategy.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	17 March 2015
Head of service:	David Moorcroft
Report subject:	Collective PV Auction scheme
Date assessed:	25/02/2015
Description:	To consider the establishment of a collective PV auction scheme for the City

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The scheme can be carried out within existing budgets.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There will be a need for other front facing council teams to highlight the scheme to council customers e.g. customer contact, housing officers etc. Briefing packs will be provided to help with this.
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The scheme will support energy efficiency.

(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment
Positive
To progress with the scheme
Negative
Neutral
Issues