

Report to	Sustainable development panel 25 March 2015	Item
Report of	Executive head of service regeneration and development	4
Subject	Collective solar panel purchasing (Public Auction)	

Purpose

This report informs members of the arrangements for the first collective solar auction scheme for Greater Norwich and Norfolk.

Recommendation

To note the report.

Corporate and service priorities

The report helps to meet the corporate priority Safe, Clean and Low Carbon City, Fair City and a number of actions within the City Councils Environmental Strategy.

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 and development

Contact officers

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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 strategy. 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.
2. It is now proposed that the council establishes a collective solar energy purchasing scheme for the city to enable households across Norwich to easily engage with the market and get the best deal for their energy requirements. The new scheme will also be available to households in Norfolk as the project will support registrations from outside Norwich with the support of other local authorities.
3. Collective auctions occurs when a group of likeminded citizens band together to negotiate a better deal with the local markets. A third party (in this case Norwich City Council) sets up the group with the help of a specialist switching 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 proceed to a survey and installation.
4. Evidence from elsewhere suggests a 15 to- 20% saving can be achieved as well as creating a lift in the local market due to the increased visual appearance of the technology. It has also been suggested that citizens are more likely to adopt the technology if the council plays a supporting role due to our high trust levels. The solar market has also suffered from unrepeatable firms delivering low quality products.
5. In other parts of Europe collective purchasing of PV panels are common place and have been widely applied resulting in energy savings for citizens.

Proposed approach to running a scheme in Norwich

6. The proposed approach to running a scheme would be to procure a specialist partner who would work with the council to run a trial marketing/ communication tranche (A UK first) to identify the market conditions for any following work in this area.
7. It is expected the switching partner would:
 - Market the scheme effectively to citizens of council through appropriate methods.
 - Handle enquires on the scheme and sign up interested citizens
 - Carry out the negotiation with the market to identify the lowest price through appropriate methods e.g. an auction
 - Complete the handover process with the successful provider for citizens who wish to go ahead

- Carry out the necessary supporting activities in line with the points above.
- Monitor and provide evaluation information

8. 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. (Briefing packs would be provided to assist with this).
- Provide additional support/ advice for vulnerable citizens who may be interested in the scheme.

9. 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

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

No	Milestone	Timescale
1	Cabinet agreed to establish a collective energy switching scheme for Norwich and delegated authority to sign a contract with the chosen switching partner	11 March
2	Contract awarded to chosen switching partner	13 April
3	Start marketing/ communication tranche	18 May
4	Go to the market for the first auction	18 June
5	Acceptance period	6 July
6	"Ask me" events	From 6 July to 14 September

11. The main resourcing requirements for the council in establishing a collective Solar auction in Norwich, in addition to existing staff time, are for additional communications, design and printing costs to support the marketing / communication of the scheme. These are estimated to be approximately £35,000 and will be covered by the switching partner.

12. The partner will receive a fee from the successful provider for each household who undertakes the instalment of PV cells. This fee will be made very clear to interested citizens as part of the marketing and communication of the scheme. Overall the household will benefit by a reduced installation price (Including the fee) of 15-20%.
13. The council will receive a proportion of this from the partner in the form of a referral fee for each household who completes the process which would cover the costs involved for the council. The amount of that fee will be determined by the tender process.
14. This would mean that to fully cover the additional costs (excluding existing staff time) incurred by the council for the project we would need to have at least 1000 households take up the offer from the 3 councils LA's within the greater Norwich area.
15. The partner for the trail would also bring their own communications budget for paid for external media to complement the councils own communications to citizens.

Benefits of establishing a scheme in Norwich

16. The main benefit in establishing a collective energy switching scheme in Norwich is to provide households across the City with an opportunity to reduce their energy bills (potentially by as much as £200-300 per year) which will help to support financial inclusion and reduce fuel poverty.
17. This directly supports the council's corporate plan priority to make Norwich a prosperous city and the actions within the council's environmental strategy in regards to affordable warmth.