

**Forward Plan reference number:** 'Not applicable'

<b>Report title: 'Solar Together Essex', collective purchasing Scheme for Solar Panel Systems</b>	
<b>Report to:</b> Mark Ash, Executive Director Climate, Environment and Customer	
<b>Report author:</b> Sam Kennedy, Director Environment & Climate Action	
<b>Date:</b> 31st October 2023	<b>For:</b> Decision
<b>Enquiries to:</b> Tom Day, Head of Energy and Low Carbon Programme (tom.day@essex.gov.uk)	
<b>County Divisions affected:</b> 'All Essex'	

## Confidential Appendix

This report has a confidential appendix which is not for publication as it includes exempt information falling within Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

### 1. Everyone's Essex

- 1.1. ['Everyone's Essex'](#) sets out four strategic aims and 20 commitments. Within the strategic aim of "Environment" there are the commitments:
  - Green communities: We will work with communities and businesses, providing advice and support to enable and empower local action to reduce greenhouse gas emissions and build climate resilience.
  - Net Zero: We will work across the Council and the County to hit our net zero targets, by ensuring that the Council significantly reduces its carbon footprint whilst also supporting an acceleration in the progress towards sustainable housing and energy across the county.
- 1.2. As part of these commitments, Essex County Council (ECC) have been running collective purchasing schemes of solar PV panels and battery storage since July 2018. These schemes provide a significant benefit to residents and local businesses by providing an easy, good-value route to high quality solar PV installations and from trusted suppliers.

### 2. Recommendations

- 2.1. To agree to extend for 12 months the current concession contract with iChoosr Ltd. to deliver a collective purchasing scheme in 2024 for the supply and installation of photovoltaic panels (PV) which will allow for householders and small/medium sized enterprises (SMEs) in Essex to take advantage of discounted panels. The gross value of the extension can be found in section 1 of the confidential appendix.

### 3. Background and Proposal

- 3.1 ECC set up the Essex Environment and Climate Action Programme in response to evidence that climate change is the biggest single-issue facing Essex. ECC also have a long-standing commitment to promote clean growth and affordable energy.
- 3.2 In 2018, together with Norfolk County Council, Suffolk County Council, and the Mayor of London, ECC pioneered the use of a collective purchasing approach to increase domestic rooftop solar in the County. Now over 12 Councils across the UK use this approach, called 'Solar Together', to drive solar photovoltaic panels (PV) adoption in their local areas (the Scheme) by enabling residents to benefit from savings on the cost of installation that come from a collective purchasing scheme and giving residents clear and impartial information and by ensuring they receive a complete and high-quality system.
- 3.3 Collective purchasing schemes for solar PV systems help residents and small businesses to purchase high quality PV panels and battery storage or electric vehicle (EV) charging (as an additional option) at an affordable price and from trusted suppliers.
- 3.4 ECC entered into a concessions contract with iChoosr on 20 January 2023 for 12 months to run our fourth "Solar Together Essex" campaign. This followed the end of our first contract with iChoosr signed in 16 July 2018 which expired on 15 July 2022. The current contract is for 12 months with an option to extend for 2 further 12-month periods. This paper seeks approval for the first 12-month extension.
- 3.5 ECC have run 4 collective purchasing schemes with iChoosr for solar panels under the above contracts. These campaigns which saw uptake comparable to campaigns in other local authority areas and strongly positive customer feedback, resulted in over 2,000 Solar PV systems installed in Essex households, and over 7.5 megawatts (MW) of solar energy generation capacity. The four campaigns run to date have saved residents between 22% (2018) and 37% (2021) on market prices for solar PV systems. The 2023 scheme saw a 32% average saving for a 12-panel system secured in the March 2023 auction and is on track with over 675 installs delivered so far.
- 3.6 Each year over 1,600 tonnes of CO<sub>2</sub>e will be avoided by replacing grid electricity with 100% renewable electricity from solar PV systems in these domestic installations. This figure represents the combined emissions saved across the four Solar Together Essex campaigns delivered so far, and it is calculated based on nationally published data regarding the carbon intensity of the grid electricity, which comprises both renewable and non-renewable sources
- 3.7 Given the success of the four collective purchasing schemes, it is proposed that ECC extend the current concessions contract and run a further collective purchasing scheme in 2024. The option to extend the arrangements for one further year in 2025 will be considered in 2024 pending good performance in the 2024 scheme.

- 3.8 The concessions arrangement proposed will be identical to the one in place for the previous four schemes. ECC promote the collective purchasing scheme via its communications team using its communication channels and social media and then a contractor will deliver the scheme. Once installed, ECC will receive a commission based on the number of panels installed which is intended to enable ECC to recover the cost of promoting the scheme. The commission that will be received by ECC is set out in the Confidential Appendix.
- 3.9 Each scheme is seeing a greater take-up of the scheme with 60% of the offers being accepted to install stage in 2023. Over 2000 solar PV arrays have been installed over the four schemes with 612 of those already installed in 2023. The capacity installed has increased to over 7 megawatts across the schemes, reducing the strain on the grid. Annual carbon savings were also at a record of 560 CO<sub>2</sub>e per year. Financially, the 2023 scheme has already recouped costs spent by ECC on promotion. This all aligns with ECC's target to reach Net Zero. At the end of each scheme, customers are asked to fill in a survey about their experiences. Their satisfaction is rated via the Net Promoter Score (NPS). Complaints are generally dealt with by iChoosr's helpdesk and resolutions are found. The 2022 scheme delivered under ECC's previous contract with iChoosr scored highly at 55, with 50+ being deemed 'excellent'. Complaints relating to installations were less than 1% for the 2022 scheme. Information on customer satisfaction and complaints for the 2023 scheme will be available at the end of 2023/early 2024, as the scheme is finalised, and will be taken into account when considering any further contract extension.
- 3.10 In accordance with the original decision (FP/018-01-23) a Prior Information Notice (PIN) was issued in September 2023 to test the market and establish whether the contract still provides best value. Five responses were received. ECC are satisfied that the contract with iChoosr continues to represent best value because it meets all of ECC's requirements providing a strong discount to residents, an efficient process from promotion to installation and aligns with ECC's Net Zero targets.
- 3.11 The extension for 12 months will allow ECC to review the market for new entrants again in 2024 to ensure that ECC is engaging in a scheme that continues to provide best value. There will be no obligation on ECC to extend the term after this current 12-month extension.
- 3.12 The scheme will commence on 22 January 2024, with installations scheduled to take place in Summer 2024.
- 3.13 As with the previous schemes, there is no contractual relationship or ongoing obligation between ECC, and the customer nor is ECC involved in the process of selecting suppliers of PV Panels or installation. This is managed by iChoosr. ECC's involvement is only in the promotion of the collective purchasing scheme. ECC could be approached by a participant in the scheme

given its choice to promote it. In the event of direct public enquiries about any individual supplier involved in the auction, ECC would direct enquiries to iChoosr.

- 3.14 The concession contract supports ECC's corporate objectives to work with communities and businesses to enable and empower local action to reduce greenhouse gas emissions and work across the County to hit our net zero targets by supporting an acceleration in the progress towards sustainable energy.

## **4 Links to our Strategic Ambitions**

4.1 This report links to the following aims in the Essex Vision

- Strengthen communities through participation
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

4.2 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030:

- On average 470 tonnes of CO<sub>2</sub>e emissions avoided annually as a result of each Solar Together Essex scheme that goes ahead and it is successfully delivered as part of this contract.

4.3 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- A strong, inclusive and sustainable economy
- A high-quality environment

## **5 Options**

5.1 **Option 1 – To Award a contract extension to IChoosr as set out above to deliver the Scheme** (Recommended Option):

### **Advantages:**

- enables the delivery against strategic objectives stated above;
- Essex residents will have the opportunity to purchase high quality solar panels at a competitive price and from trusted suppliers;
- facilitates the buying process making easier for more people to take an informed decision in a safe environment;
- benefit to local business - previous experience of iChoosr schemes shows that local companies are subcontracted to deliver at least some of the work.

### **Disadvantages:**

- reputational risk to ECC in the event of suppliers failing to install to a customer's satisfaction. This is mitigated as set out in paragraph 3.13 and 3.14 the supplier qualification process of IChoosr and there is no

obligation on ECC to undertake further schemes or to extend the contract further.

## **5.2 Option 2 – Run a collective purchasing scheme in house (Not recommended).**

### **Advantages :**

- Opportunity to create an income stream for ECC if a model to keep costs low and make a surplus is achieved – although this is deemed an unrealistic target given the significant investment that would be needed to build this capacity *and* capability.
- ECC has complete control of the process from qualification of suppliers to customer relations.
- ECC has direct access to customers data including feedback.

### **Disadvantages:**

- ECC does not have the expertise in this particular field, and it is not equipped to handle the process from the initial registration to completing the installation - building and maintaining the internal capacity and the specialist skills needed to run the scheme would entail a considerable on-going revenue cost in.
- ECC would be assuming all the risks – including reputational risks if the scheme is not successful.

## **5.3 Option 3 - Do nothing – (Not recommended).**

### **Advantages:**

- No costs incurred by ECC with marketing the scheme.

### **Disadvantages:**

- Reputation risk in being perceived as not acting on Climate Action commitments and the consequences of not responding promptly to address climate change will create significant adverse impacts on the Essex economy and residents .
- Essex residents and SMEs will not benefit from access to Solar PV systems and battery storage at discounted prices – previous schemes achieved savings of 22% to 37% on market prices.
- Achieving the same scale of renewable energy adoption from residents would require considerable resources and expertise which ECC currently lack
- There is unmet demand for solar PV due to market failure. Collective purchasing reduces the perceived barriers to action, enabling residents to invest in rooftop solar schemes where they otherwise may not due to cost, lack of information or uncertainty about the process of installing solar PV

## 6 Issues for consideration

### 6.1 Financial implications

6.1.1 Each annual scheme is expected to be cost neutral at a minimum to ECC, with the possibility of a small surplus should the take up by residents be in line with recent annual exercises. The cost to ECC to market the scheme is offset by the commission received from the supplier based on the number of installations made, as detailed in the Confidential Appendix.

6.1.2 The table below shows the historic performance of the Solar Together Essex annual schemes with the estimated performance for the year covered in this decision being 2024:

6.1.3

	Scheme Year			
	2021	2022	2023	2024
<b><u>Costs</u></b>				
Marketing	-£47,152	-£39,771	-£43,066	-£43,000
<b><u>Income</u></b>				
Commission actual	£36,615	£49,170		
Commission estimate			£49,000	£49,000
<b>Surplus / (Deficit)</b>	-£10,537	£9,399	£5,934	£6,000

6.1.4 The estimates for the marketing costs and the anticipated commission are based on the historic achievement of the scheme, which has shown growth every year in the number of registrations, acceptances, and installations.

6.1.5 The cost to procure, award and manage this contract will be met from existing Service budgets.

6.1.6 The decision is an Executive Director Decision based on the forecast value of the 12-month extension period referenced in the Confidential Appendix to this paper.

### 6.2 Legal implications

6.2.1 ECC is a contracting authority for the purposes of the Concession Contracts Regulations 2016 (the Regulations). The current threshold for concession contracts is £5,336,937 inclusive of VAT. The value of the proposed contract is below this threshold and therefore falls outside the scope of the Regulations. However, ECC must ensure that it complies with the principles of fairness and equality and acts in a transparent and proportionate manner.

6.2.2 Under the Local Government Act 1999 ECC have a general duty of Best Value. ECC have published a PIN and for the reasons set out in this report are satisfied that the current contract still represents best value.

## **7 Equality and Diversity Considerations**

The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.1 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.2 The Equalities Comprehensive Impact Assessment (ECIA) indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

- Confidential Appendix
- ECIA

## **9 List of Background papers**

*None*

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
	31 <sup>st</sup> October 2023
Mark Ash, Executive Director Climate, Environment and Customer	

**In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Councillor Peter Schwier, Cabinet Member for Environment, Waste Reduction and Recycling</b>	3 <sup>rd</sup> November 2023
<b>Executive Director, Corporate Services (S151 Officer)</b>	27 <sup>th</sup> October 2023
<b>Daniel Tooke, Head of Finance, on behalf of Nicole Wood</b>	