



# Cabinet

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<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Hertfordshire Solar Bulk Buy Scheme
<b>Date:</b>	19 <sup>th</sup> April 2022
<b>Report on behalf of:</b>	Councillor Anderson, Portfolio Holder for Planning and Infrastructure
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	A. Due Diligence FAQs B. Solar Bulk Buy presentation
<b>Background papers:</b>	Hemel Garden Communities Spatial Vision Hemel Garden Communities Programme Board report 9 <sup>th</sup> Sept 2020
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	HCC: Hertfordshire County Council HGC: Hemel Garden Communities HSOG: Hertfordshire Sustainability Officer Group HCCSP: Hertfordshire Sustainability Partnership LA's: All 11 authorities within Herts. SADC: St Albans and District Council MoU: Memorandum of understanding Buckinghamshire CC: Buckinghamshire County Council

## Report Author / Responsible Officer

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<b>Corporate Priorities</b>	A clean, safe and enjoyable environment Building strong and vibrant communities Climate and ecological emergency
<b>Wards affected</b>	ALL
<b>Purpose of the report:</b>	<ol style="list-style-type: none"> <li>1. To provide details of a proposed joint Hertfordshire wide district 'Solar Bulk Buy Scheme' that will enable Hemel Garden Communities and the 11 Hertfordshire authorities to join and assist residents to benefit from a solar bulk buy scheme, allowing them to make cost savings and encourage them to purchase Solar PV panels for their private residence and help with the climate change emergency.</li> <li>2. If recommended to proceed, delegated approval is given to Strategic Director (Place) for Dacorum Borough Council to sign the contract and appoint the chosen scheme provider (iChoosr) to proceed with the delivery of the scheme. Dacorum Borough Council will lead the project because Hemel Garden Communities is providing 100% funding to market the scheme.</li> <li>3. That the Council considers the sharing of the scheme's auction benefits with Buckinghamshire CC (plus any other local authority outside of Hertfordshire who may require support to join the scheme), subject to Dacorum Borough Council being satisfied there will be no legal commitments.</li> </ol>
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"> <li>1. That delegated approval is given to the Strategic Director (Place) for Dacorum Borough Council to sign the contract and appoint the chosen scheme provider (iChoosr) to proceed with the delivery of the Hertfordshire wide solar bulk buy scheme.</li> <li>2. That the signing of the final contract by Dacorum Borough Council on behalf of the other authorities that wish to join the scheme, will be subject to them signing an MoU to 'promote the scheme and afford the relevant property data to Dacorum Borough Council', if required.</li> <li>3. That Dacorum Borough Council agrees to share the auction benefits with Buckinghamshire County Council (plus any other local authority who may require support to join the scheme), subject to Dacorum Borough Council being satisfied there will be no legal commitments between the parties.</li> </ol>
<b>Period for post policy/project review:</b>	April 2023

## **1 Introduction/Background:**

- 1.1 Hemel Garden Communities is an ambitious development programme that will transform Hemel Hempstead and create attractive and sustainable new neighbourhoods and communities to the North and East of Hemel Hempstead, through the delivery of more than 11,000 new homes and 10,000 new jobs by 2050.
- 1.2 There is an expectation that all new development in the North and East Hemel Hempstead growth areas will be Net Zero Carbon. The Garden Communities programme is also keen to transform the wider town with greater carbon resilience, through the promotion of sustainable low/no carbon transport choices with easily accessible, non-car options/links between business centres, the town centre, train station/transport hubs and wider connections across Hertfordshire and the surrounding counties.
- 1.3 In order to deliver these transformational and sustainable environmental improvements to both existing and future communities, Hemel Garden Communities prepared a number of recommended proposals as part of a HGC business case (which also covered Herts IQ proposals) to support Hertfordshire Growth Board's county-wide growth and funding paper presented to MHCLG in 2020.
- 1.4 The proposals supported sustainable energy infrastructure to address climate change, contributing to the Authorities' response to the Climate Emergency and need for decarbonisation. It included infrastructure to support renewable energy generation such as solar bulk buy, and power/charging infrastructure to support Electric Vehicles (EVs).

## **2. Key Issues/proposals/main body of the report: What is a Solar Bulk Buy Scheme?**

- 2.1 The Solar Bulk Buy Scheme gives private homeowners the opportunity to enter into a collective purchasing scheme for solar panels as well as an option for electric vehicle charging (EV) and energy storage, at a discount to the market rate and at a faster rate compared with individuals purchasing and installing the panels themselves. The Local Authorities also benefit from de-carbonising the local electricity supply and retrofitting of existing private housing stock to have renewable energy, which would otherwise be difficult to secure. During the year, there are three cohorts (spring, summer & autumn) whereby residents can express their interest in participating in the scheme to the provider (iChoosr).
- 2.2 The Local Authority's main involvement is to fund a one-off letter campaign "Solar Together Hertfordshire" (circa £30k, funded by HGC) issued to households identified by the provider (iChoosr) and for each successful installation of the panels, monies are recouped/paid back to HGC and could be re-used to fund future campaigns.
- 2.3 iChoosr, after vetting potential suppliers, goes out to auction for the best price supplier, then contracts with the supplier to complete the installation process directly with the homeowner. Any installers entering the 'Solar Together' auction are required to deliver a high level of customer service. iChoosr interrogates the experience, quality, stability and capacity of the installers beforehand through a rigorous pre-qualification procedure. The qualification not only includes a review of all essential certifications and insurance policies, but also covers customer satisfaction and a detailed financial due diligence of the company.

## **3. Why is Solar Bulk Buy a Hemel Garden Communities project?**

- 3.1 In 2019, shortly after the Climate Emergency was declared by the authorities and, before Dacorum Borough Council had a Climate/Sustainability team, the Hertfordshire Growth Board asked Hemel Garden Communities to identify a package of proposals to support a strategic

business case for their programme area. A range of proposals were identified, including Solar Bulk Buy, as a suitable delivery solution to embed renewable energy into the Hemel Garden Communities' programme.

- 3.2 In order for the Solar Bulk Buy scheme to achieve maximum opportunity for climate improvements and cost savings for residents, the scheme needs to maximise economies of scale. As such, it has been proposed as a cross county project. There is scope to expand this beyond the County to further maximise the potential savings, however, any participation beyond the County would be subject to a direct contract between the respective authority and iChoosr.
- 3.3 Homes England asked all Garden Communities to identify projects that could demonstrate benefits of cross working between Garden Communities. As part of the Garden Communities' capacity funding, HGC received £30k to progress a Solar Bulk Buy scheme in 2021/22.

#### 4 Solar Bulk Buy - Project progress/Due diligence/Risks

- 4.1 In order to fulfil its obligation to deliver the 'bid funded' scheme, Hemel Garden Communities identified a route to delivery that included joint working with partner authorities through the Herts CC Sustainability Partnership.
- 4.2 A due diligence exercise to mitigate the legal, financial and reputational risk to Dacorum Borough Council and the partner authorities was undertaken (see **Appendix A** – Due Diligence FAQs) and the scheme has progressed through the Council's internal approvals process.

##### Risks/Mitigation

<u>Type</u>	<u>Key Risk</u>	<u>Value For money</u>	<u>Mitigation</u>
Legal	There is a small risk that Dacorum Borough Council could be in breach of contract if HCC are unable to provide the relevant resident profile data.		In order to mitigate this risk, each authority will be required to sign a MoU to provide this data for their area.
Financial	Funding to deliver the scheme via mail-shots is provided by Hemel Garden Communities existing base budget, no funding is Required from Dacorum Borough Council's budget or the other Local Authorities	Using iChoosr is considered best value as there are no comparable scheme / Single source concessions, and this product supports and recognises Local Government procurement rules. Using this provider is expected to be cost neutral/or minimal costs and has been considered as a benefit.	There is minimal risk to the Local Authorities as funding is provided through the Hemel Garden Communities budget The budget is small in Relation to the likely benefits to the resident and environment in the short, medium and long term.

<u>Type</u>	<u>Key Risk</u>	<u>Value For money</u>	<u>Mitigation</u>
Reputational	There is a minor risk to the Local Authorities' reputation should the installation of the product not provide the best customer experience		<p>This is mitigated prior to auction as each provider is vetted for both financial stability and their' customer relations' standards.</p> <p>Further mitigation is through the MoU with each joining authority responsible their own customer service route, (as per any other service delivery 'business as usual' complaints service).</p>

## 5 Next steps and key milestones - Autumn Cohort

If approved by Cabinet, this will be reported to the HCCSP and work will be progressed to conclude both the contract with iChoosr and the required MOUs prior to the deadline for the Autumn cohort. Key milestones for delivery of the scheme are as follows.

### Key milestones

<b>Key meeting</b>	<b>Meeting/key date</b>
HCCSP Board	27 <sup>th</sup> April
Contract signing for Autumn Cohort	27 <sup>th</sup> May 22
Key campaign points to be agreed	6 <sup>th</sup> June 22
Content for communications sign off	5 <sup>th</sup> Aug 22
Deliver resident direct mail letters	5 <sup>th</sup> Sept & 12 <sup>th</sup> Sept 22
Auction	27 <sup>th</sup> Sept 22
Solar PV Installation	28 <sup>th</sup> Nov 22 – 30 <sup>th</sup> Apr 23

## 6 Options and alternatives considered

There are many companies offering to supply residents with Solar Panels and residents are fully able to access these at any time without the Council's support or input. However, the iChoosr scheme offers benefits of bulk buy discounts and pre-qualification financial stability, quality assurance and insurance protection.

## 7. Consultation

- Legal, Procurement & Finance teams
- Growth and Infrastructure Group (GIG)
- Strategic Leadership team (SLT)
- Chief Officers; Dacorum Borough Council, HCC & SADC
- Assistant Director (Neighbourhood Delivery)

- Chief Finance Officer
- HGC Councillor Visioning Group (CVG)
- Hertfordshire Sustainability Officer Group (HSOG)
- Hertfordshire Sustainability Partnership (HCCSP)
- UK Energy Hub
- Cambridge and Suffolk Councils (Lead Officers for scheme)

## 8 **Financial and value for money implications:**

### Financial

Funding to deliver the scheme via mail-outs is provided by the Hemel Garden Communities existing base budget, no funding is required from DBC's budget or from the other Local Authorities.

### Value for money

Using iChoosr is considered best value as there are no comparable scheme/single source concessions, and this product supports and recognises Local Government procurement rules. Using this provider is expected to be cost neutral/or minimal costs and has been considered as a benefit.

## 9 **Legal Implications**

There is a small risk that Dacorum Borough Council could be in breach of contract if HCC are unable to provide the relevant resident profile data to DBC for iChoosr. In order to mitigate this risk, each joining authority have been required to sign a MoU, including HCC, to provide this data for their area.

## 10 **Risk implications:**

### Finance

There is minimal risk to the Local Authorities as funding is provided through the Hemel Garden Communities budget. The budget is small in relation to the likely benefits to the resident and environment in the short, medium and longer term.

### Reputation

There is a minor risk to the respective Local Authorities' reputation should the installation of the product not provide the best customer experience, however this is mitigated prior to auction as each provider is vetted for financial stability and their 'customer relations' standards.

There is a small risk that issues may be raised at Member level, should a customer feel the Local Authority is responsible for any issues, however this can be mitigated by utilising each Local Authorities' own customer service route, as per any other service delivery 'business as usual' complaints service but, additionally, by providing clarity in communications regarding the contractual relationship between residents and the supplier. The details of this communication material will be agreed with the Lead Officers of the authorities joining the scheme.

## 11 **Equalities, Community Impact and Human Rights:**

A Community Impact Assessment for Hemel Garden Communities was prepared in October 2018 and reviewed in January 2020.

Human Rights: There are no Human Rights Implications arising from this report. The contract sets out the Council's position in relation to Modern Slavery.

## 12 **Sustainability implications (including climate change, health and wellbeing, community safety)**

This will be the first joint 'Solar Bulk Buy' scheme that represents all Hertfordshire Local Authorities, with the potential for wider cross border working. The scheme is designed to assist residents to

purchase PVs at a discounted rate, help accelerate delivery of the Council's climate improvement goals and help improve resident's health and wellbeing.

### **13 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

The next steps for delivery of this scheme currently sits with HGC to co-ordinate the other authorities to deliver their respective roles, however the HGC team has worked closely with Dacorum Borough Council's Assistant Director (Neighbourhood Delivery) and Climate Emergency and Sustainability Programme Lead and, if required, HGC could relinquish the lead to either of these teams.

### **14 Statutory Comments**

#### **Deputy Monitoring Officer:**

The internal Legal Team has reviewed the legal documents that are required to lead and participate in the Scheme and confirm there are no legal issues or concern.

#### **Deputy S151 Officer:**

The costs associated with this arrangement relate to the promotion of the scheme with householders and will be met in full by HGC funding. Engaging iChoosr as set out in this report is in line with relevant procurement requirements.

### **15 Conclusions**

Following conclusion of a due diligence exercise, it is recommended that the benefit in taking part in the scheme outweighs the minimal financial and reputational risk. These risks have been mitigated by contract amendments to address strengthened indemnity clauses and ensuring that the Communication Plan is clear about Dacorum Borough Council's role in the Scheme. Homeowners will be clearly advised that they participate in the Scheme at their own risk.

Reputational risk will be mitigated through the MoU with partner authorities and it is expected that each authority will be responsible for their own risk mitigation. To date, significant collaboration and internal discussion has been undertaken with partner authorities to prepare this scheme ready for approval and a delay to proceeding to the Autumn cohort could result in Dacorum Borough Council losing its place at the next auction and could impact on the climate emergency targets.

The recent Government budget announcement offering customers Zero VAT rating for PV panels has helped raise the profile of this type of scheme and can assist residents further during these financially uncertain times.