

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3151

Title: Supporting Solar Together London phase four and five residents

Executive Summary:

This Mayoral Decision form (MD) seeks approval for GLA expenditure to provide funding to support Solar Together London phase four and five customers following the decision of Green Energy Together UK to instruct liquidators. The funding will allow for a managed programme closedown and benefits realisation.

The programme has successfully completed phases one to three. Phases four and five are being delivered by iChoosr, who appointed GET UK as the sole installer for phase four, and one of the installers for phase five. On 19 May 2023 the GLA was informed GET UK had instructed liquidators. This occurred following a significant period where GET UK had provided unacceptable quality of service despite active management of the relationship by iChoosr. As a result of ongoing engagement with iChoosr, the GLA has ensured the majority of Londoners who paid for works that had not started are able to secure refunds, with the exception of a group of customers for whom GET UK failed to properly register deposits. In addition, customers with partial installations do not currently have any other means of accessing support to ensure works are completed.

Approval is therefore sought to provide financial assistance and support to two groups of Solar Together phase four and five customers – those who do not currently have access to deposit refunds and those with partial installations requiring completion – by varying the GLA's service concession with iChoosr to make provision for this. A delegation of authority to the Executive Director of Good Growth is also sought to approve the delivery mechanism following detailed design work. Approval is also sought for related GLA costs to close down the programme – including evaluation. In any provision of support, the GLA will reserve all rights against iChoosr and GET UK – including liquidators appointed by GET UK.

Decision:

That the Mayor:

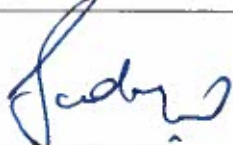
- i. approves an extension of the current Concession Agreement with iChoosr to allow for ongoing service provision to manage the close down of Solar Together London phases four and five
- ii. approves revenue expenditure of up to £500,000 from the Retrofit London programme budget to fund continued iChoosr services to deliver works for Solar Together London phase four and five customers with partial installations and provide refunds to customers where appropriate, delivered through a variation to the current Concession Agreement with iChoosr, plus £50,000 for scheme closedown including evaluation
- iii. delegates authority to the Executive Director of Good Growth to approve detailed design of the support fund without further need for a decision form, subject to the Deputy Chief of Staff's approval.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

28/7/23

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

Net zero carbon and green finance

- 1.1. The Mayor has declared a climate emergency and set a target for London to be net zero carbon by 2030. The Accelerated Green Pathway has been selected as his preferred pathway to achieving this target. This includes an associated target of 1.5GW of London's electricity produced by solar sources by the same date.
- 1.2. The Mayor published his Solar Action Plan in 2018, with actions focused around five key areas, including helping residents retrofit their homes with solar energy technology. In support of this focus, the Mayor launched Solar Together London in 2017.
- 1.3. Solar Together London is a group purchasing scheme to increase the take-up of domestic rooftop solar panels in London. The programme works with selected London boroughs and a service provider to encourage households within the private sector to register their interest in having rooftop solar panels installed on their roofs. On the basis of this interest, iChoosr (with whom the GLA has a service concession agreement) selects installer(s) following their own due diligence checks. The selected installer(s) who have met iChoosr's due diligence checks also have to offer good value through a 'reverse auction' model. They are able to reduce costs whilst signing up to performance standards because they are avoiding marketing costs and follow-up on an individual basis. This model is widely used across the rest of the UK and Europe and has enabled almost one thousand Londoners to secure solar installations at below market rates in the first three phases of the programme. The customers who have registered an interest are then passed by iChoosr through to the installers that they have appointed. It is only the installer, however, who has a direct contractual relationship with the customer.
- 1.4. The first two phases of the programme were approved in December 2017 under cover of ADD 2187 'Solar PV collective purchasing pilot project'. This trialled the programme and allowed for a further phase. Under cover of MD2503 'Solar Together London' in July 2019 the Mayor approved phase three of the programme to be run. Phase four of the programme, the first to go pan-London, was approved in November 2020 under MD2708 'Green New Deal Fund – Allocation and expenditure for 2020-21'. In November 2021 the Mayor, under cover of MD2896 'Supporting solar uptake in London' approved delivery of phase five of the programme.
- 1.5. iChoosr have been responsible for delivery of each phase of Solar Together London. They have delivered group purchasing programmes for solar, as well as collective switching for over 10 years, across the UK and internationally. Under the service concession agreement they are responsible for selecting and managing the installer(s) for each phase of the programme and ensuring the installer can deliver a high-quality service.
- 1.6. Under phases 1-3 almost 1,000 installs were delivered, with levels of complaints under 10 per cent. Phase 4 was the largest programme to date and was delivered in the context of Covid-19, high levels of demand globally for solar PV, low levels of supply of materials and, in the UK, the impact of Brexit on the supply chain. In this context, all similar programmes delivered across the UK saw higher levels of complaints.
- 1.7. iChoosr engaged Green Energy Together UK (GET UK) to deliver phase four of this programme, with a target of 1,100-1,600 installations. They were re-engaged for phase five by iChoosr. They were unable, however, to deliver the expected quality of customer service and this allied to the wider delivery challenges led to complaint levels of 22.74 per cent for phase four and 16.60 per cent for phase five, as of 19 June 2023. The GLA has worked actively with iChoosr for some time to try and

improve GET's performance, but while many individual issues have been resolved the overall level of customer service has remained well below expectations.

- 1.8. On 27 February 2023, iChoosr informed the GLA that GET UK were no longer a member of the Home Insulation and Energy Systems Quality Assured Contractors Scheme (HIES). Additionally, the GLA was informed that GET UK's Micro-Certification Scheme (MCS) certification had been suspended; it was subsequently cancelled on 29 March 2023. Since HIES membership and MCS certification are requirements to deliver under Solar Together London, GET UK was no longer permitted to install solar PV. In line with the service concession agreement, customers were informed by iChoosr and given options to proceed with GET UK, cancel their contract or get an offer from the other phase five installers. On 19 May 2023, GET UK informed iChoosr that it had instructed a liquidator.
- 1.9. The programme has delivered substantial benefits for Londoners. The reverse auction model has produced savings for customers, estimated over the various phases to be between 20 and 30 per cent below the costs had customers sought quotes individually. That has helped thousands of Londoners take up rooftop solar. Phases 1 to 3 with other contractors went smoothly with almost 1,000 installations completed; and phase 5 appears to be being delivered broadly effectively by the remaining two contractors.
- 1.10. Throughout the programme, the focus of the Mayor and GLA has been on protecting customers. Since the GLA found out about GET UK's liquidity issues and the resultant financial exposures of Londoners, we have sought to ensure that they have access to financial protection, and that they are provided with clear and timely communication of the options open to them.
- 1.11. Customers have a range of routes to be able to reclaim their deposits – including through section 75 of the Consumer Credit Act, 1974 or through chargeback. These mechanisms allow for the customer to request a refund from their credit card provider or bank respectively. Customers who have had their deposit protected by GET UK can also contact HIES who should be able to provide support, and the GLA has also negotiated a financial contribution from iChoosr to support many of those without other protection.
- 1.12. As of 21 June 2023, it is understood that of just over 4,600 customers signed up with GET over phases 4 and 5 of the programme, 3091 customers have exited the programme, either because they had installations or refunds, although there is still work to be done to validate and increase the GLA's level of confidence in the data. Of the remaining c.1,500 the position is understood to be:
 - 280 households have cancelled but not yet received their 25 per cent deposit refund.
 - 299 households need to provide their bank details to receive their £150 deposit refund. iChoosr is contacting them to request this but the action is with these households.
 - 635 households haven't paid a deposit but must confirm whether they wish to proceed with an alternative offer. Comms are being developed to close down this cohort.
 - 103 have been paid a refund but neither they nor GET UK have cancelled their contract with GET UK.
 - 60 households have reported they have partially complete installations. iChoosr is contacting these residents and getting more information on their position.
 - 462 households have had a complete PV installation but had also signed up for battery storage. Comms are being developed to close down this cohort.
- 1.13. Within these numbers, however, there are two groups for whom further support may be required. First, it has recently become clear that there is a group of customers who were believed to have HIES protection, but whose deposits were not properly registered by GET UK and for whom HIES protection is therefore not in place. Approval is sought for the GLA to cover these costs. It is possible that the number of customers who are not protected by HIES will continue to increase as their current cover

lapses, so there is a strong incentive to move quickly, although inconsistent data quality means the risk cannot be fully mapped at this stage.

- 1.14. Second, residents with partial installations (i.e. whose installations have been begun but have not been completed) do not currently have a clear route to resolution. Whilst they might be able to reclaim money through the section 75 or chargeback processes, this does not help to complete their installation. The GLA has therefore been working with MCS and iChoosr to put in place an 'adoption process' to allow another installer to take over and complete the works and to secure the necessary MCS accreditation. As well as being the industry standard for installations, this accreditation is also a requirement for customers to be able to access the Smart Export Guarantee. As set out above, it is currently understood there are 60 customers with partial installations, although this number could increase as audits are done of completed installations and when all customers have responded to communications from iChoosr.
- 1.15. For works to be completed by another installer there are likely to be variable but additional costs, due to cost inflation and the challenges of taking over an installation begun by another company. Approval is therefore sought for the GLA to fund these additional costs where needed to complete the installation, including costs incurred because:
 - installation of panels or other materials has commenced but has not completed
 - scaffolding is still up
 - installation is complete but has not been signed off and MCS accreditation issued
 - electricity network connections still need to be provided
 - other issues remain which might come through in feedback from customers as part of the detailed design and engagement.
- 1.16. In relation to partial installations, any GLA funding is anticipated to be used to cover:
 - status verification to identify the scope of activity needed to complete the installation
 - labour costs to complete the works, secure the MCS accreditation and liaise with the DNO
 - materials required to complete the job
 - removal of materials from site
 - other costs identified within scope as part of the detailed design.
- 1.17. This work will be delivered through an extension of the existing Concession Agreement with iChoosr. Given the issues customers have faced to date, it is considered necessary to provide a straightforward customer journey. iChoosr have access to an accredited supplier base and already have information on the scheme's customers. Selecting another installer would significantly increase the time taken for customers to resolve their installation issues, with the attendant increases in stress and frustration.
- 1.18. Therefore this MD seeks approval first to extend the Concession Agreement beyond the current end date of 31 July 2023 and given the delays to the programme in order to accommodate the continued provision described above. This will allow for continuing exchange of information and enable the Mayor and GLA to continue to raise cases with iChoosr and push for their resolution.
- 1.19. Second, approval is sought for up to £500,000 to be made available to support the two groups of GET UK customers described above. It should be recognised that it will be necessary to begin supporting action without a full picture of the position of all customers and therefore while the £500,000 may not be needed in full, neither can the need for additional funding be ruled out. This money is to be allocated from the existing budget for Retrofit London held by the Environment and Energy Unit. There is no requirement for the draw-down of new funds at this time.

- 1.20. Third, approval is sought to delegate sign-off of the detailed design of the support to the Executive Director for Good Growth, without the further need for a decision form. This approval is sought because it is recognised that flexibility might be required to amend the scope of the support fund. This is a fluid situation in relation to GET UK's financial position – the number of unprotected customers may increase; and it is only through starting the process of supporting those customers with partial installations that the GLA will be able to more clearly understand the costs. This delegated authority would allow customers to be more quickly supported and help to close down the programme at pace. For customers with partial installations, the adoption process also has to be led by the MCS in their role as the accrediting body. This reduces the control the Mayor or GLA will have, which could impact upon the scope of the support needed. Providing delegated authority will give scope for iterative changes if required, whilst keeping within the overall parameters set out within this approval.
- 1.21. In providing this support, the Mayor and GLA will reserve all rights against iChoosr and GET UK – including the liquidator instructed by GET UK.
- 1.22. Finally, a further £50,000 is requested to support programme closedown. Some of this funding would be used to procure an external organisation to conduct an evaluation of Solar Together London. This will help inform the development of any future solar programmes the Mayor might run, as well as helping to inform other decarbonisation programmes more broadly. The remaining funding would be used to pay for any external support needed to help with customer closedown. This sum is also to be allocated from the existing Retrofit London budget.

2. Objectives and expected outcomes

- 2.1. The key objectives and outcomes of this expenditure would be to:
- support Solar Together London phase four and five customers to secure refunds or complete their partial installations
 - enable the more efficient overall closedown of the programme, supporting the Mayor's targets for London to be net zero by 2030 and the increasing the deployment of solar power.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as a public authority, the GLA is subject to the public sector equality duty and must have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. Protected characteristics under section 4 of the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sex orientation, and marriage or civil partnership status (all except the last being "relevant" protected characteristics).
- 3.3. Eligibility for support under this programme is based upon already being a phase four or five Solar Together London who has a partial installation. Works will be identified on the basis of technical need by industry accredited organisations. There will be a checking process in place through iChoosr, auditors, the installer and MCS to ensure the appropriate solutions are offered. As such it is considered there is a fair system in place to ensure people of all protected characteristics are offered the appropriate support to complete their solar PV installation.

4. Other considerations

Key risks and issues

4.1. Key risks and issues are outlined in the table below:

Risk no.	Risk/issue	Likelihood (1-4)	Consequence (1-4)	Rating	Mitigation
1	Higher than anticipated number of partial installations	3	3	9	Ongoing activities to engage all customers and clarify their status. Clear communications about the deadline for support to be accessed.
2	Higher than anticipated cost per partial installation	2	3	6	Costs per install have been developed to allow for more checks to ensure robust standards. Industry bodies have got standardised requirements and cost comparisons. Industry expert auditors will be used to give installers confidence and reduce the need for duplication of costs.
3	Additional complexities of partial installations arise as further investigations are undertaken	3	3	9	Work with industry bodies to develop processes. Ongoing activities to engage all customers and understand their situation to feed in to detailed design. Delegated design sign-off to Executive Director allows for further iterations to provide flexibility.
4	Unable to secure installers	1	3	3	iChoosr have identified a supply chain who can work on this Working with industry bodies to identify processes and bring in sufficiently highly qualified.

Links to mayoral strategies and priorities

4.2. This proposal supports delivery of the London Environment Strategy:

- Objective 6.1: Reduce emissions from London's homes and workplaces whilst protecting the most disadvantaged by tackling fuel poverty.
- Objective 6.2: Develop clean and smart, integrated energy systems utilising local and renewable energy sources.

4.3. This proposal also supports delivery of the Mayor's Solar Action Plan, particularly focus area three:

- Help Londoners to retrofit solar energy technologies on their homes and workplaces through Mayoral programmes and funding.

- 4.4. The proposal supports the Mayor's Green New Deal recovery mission to double the size of the green economy by 2030.

Governance

- 4.5. Detailed design of the support programme will be signed off by the Executive Director for Good Growth without the need for a further decision form subject to the approval of the Deputy Chief of Staff.

Conflicts of interest

- 4.6. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Approval is being sought for revenue expenditure of up to £550,000 in the 2023-24 financial year.
- 5.2. This expenditure will be funded from the Retrofit London budget within the Environment and Energy Unit.
- 5.3. Following GET UK's liquidation this expenditure will provide funding for phase four and five customers with partial installations to be completed and provide refunds to customers where appropriate plus £50,000 for scheme closedown including evaluation.
- 5.4. The GLA has no legal obligation in this instance but is choosing to provide support to protect consumers and to maintain the reputation of the scheme.
- 5.5. All relevant budget adjustments will be made, and all expenditure will be incurred within the 2023-24 financial year.

6. Legal comments

- 6.1. The activity in respect of which approval is sought may be considered to be facilitative of and conducive to the exercise of the GLA's general powers and discharge of its obligations under:
- part 7A (Housing and Regeneration) of the Greater London Authority Act 1999
 - section 30 of the Greater London Authority Act 1999 to undertake such activity as may be considered to promote economic development and wealth creation, social development and the improvement of the environment in Greater London.
- 6.2. It may also be considered to have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom
 - consult with appropriate bodies.
- 6.3. In taking the decisions requested of him, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons

who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

- 6.4. As was set out in MD2503 under cover of which iChoosr's appointment as service concessionaire was approved:
- (a) the estimated value of the service concession agreement was £300,000
 - (b) that value falls well below the mandatory procurement threshold in the Concessions Contracts Regulations 2016.
- 6.5. The proposed addition of £500,000 still leaves the contract value well below the threshold requiring competitive procurement and so the Mayor may approve the proposed extension.
- 6.6. The Mayor may make the requested delegation to the Executive Director, if content to do so.
- 6.7. If the Mayor makes the decisions sought officers must ensure:
- (a) the service concession agreement is varied in accordance with its provisions for the same and all necessary documentation is prepared and executed by the GLA and iChoosr before any commitment to the variation is made
 - (b) it is made clear (in express terms) that the variation does not constitute the waiver of the GLA's rights or the affording of relief to iChoosr of any relief from its contractual obligations under the service concession agreement and the GLA fully reserves its right in that regard and as against GET UK (as applicable).

7. Planned delivery approach and next steps

Activity	Timeline
Process agreed with MCS	August 2023
Support provided	August 2023
Scheme closedown	December 2023

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 – Deferral**Is the publication of Part 1 of this approval to be deferred? Yes**

If YES, for what reason: To help protect the GLA's legal position in relation to reserving its rights against any other organisations whilst the situation is still being resolved.

Until what date: 31 December 2024

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Sarah Fletcher has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Richard Watts has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 24 July 2023.

INTERIM CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date

25 July 2023

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature



Date

25 July 2023

