

#BeTheSolution

London Councils Community Energy Toolkit

Solar PV on Council Buildings



REGEN



**LONDON
COUNCILS**

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***Disclaimer:** This is a non-specialist summary and should not be regarded as financial, legal or procurement advice or guidance for any specific project; the community energy landscape is a fast-moving area, and opportunities are likely to change regularly.*

This section of the toolkit provides an end-to-end overview of the technical, planning and procedural considerations involved in delivering community-led solar PV projects on council-owned buildings.

It is designed to support borough officers to understand how CEGs progress a project from initial idea through to long-term operation and what the council's role is at each stage.



Introduction

This section will help you to:

- Understand what you can do as an officer to support community energy groups (CEGs) to develop solar PV projects on council buildings, remove barriers for CEGs, and streamline internal processes.

It covers topics such as:

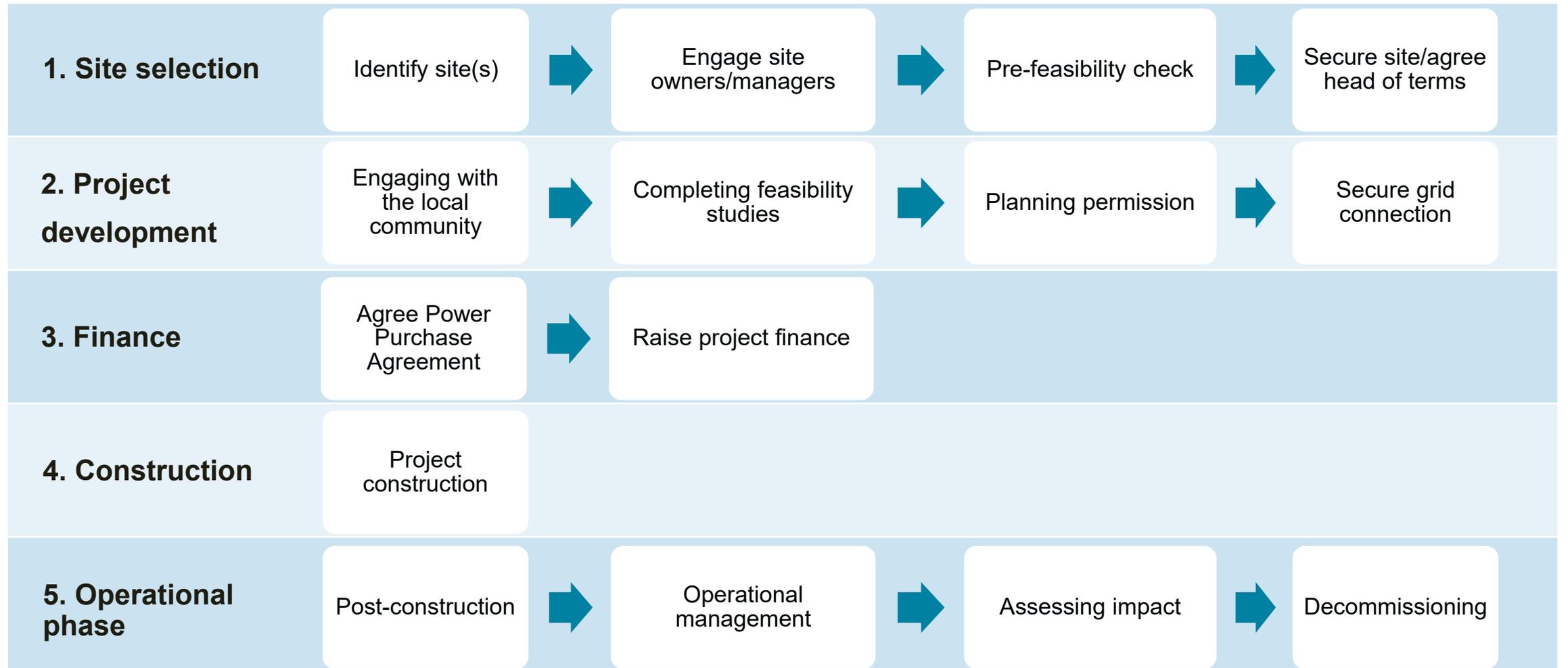
- **The project lifecycle** for community-led solar PV, from site selection and feasibility, through planning, grid connection, financing, construction and ongoing operation to decommissioning.
- **Roles and responsibilities** of both CEGs and borough councils at every step.
- **Practical guidance** on identifying suitable sites, enabling feasibility work, engaging internal teams, securing legal agreements, navigating planning requirements and supporting grid and Power Purchase Agreement processes.

- **Key considerations** for construction, asset management and long-term operations.

More information

To understand the process of developing a solar project from the point of view of a CEG, read Community Energy London's [‘Solar PV guidance for community energy organisations’](#)

Project lifecycle: community solar PV



1.

Site selection

This section contains information on:

- Identifying a council owned site
- Roof spotting guidance for solar PV
- Site spotting guidance for solar PV
- Engaging the site owner/manager
- Pre-feasibility checks
- Securing the site



Identifying a council-owned site

1/2

Role of the CEG

CEGs may search across a wide range of community owned and public sector sites. Establishing and Supporting Community Energy gives details of how to support them with their wider site search.

This section focuses on supporting groups to identify and develop borough owned sites. The CEG should lead the site identification process with input from the borough council.

Your role

You can use the [Community Energy Solar Opportunity Review](#) as to support CEGs to identify potential sites.

Council-owned properties that community groups might be interested in include: Sports and leisure centres; libraries; schools; community centres; and properties the council rents out.

Once the CEG has a longlist, you can work with them to narrow down options based on criteria outlined on the following pages of the toolkit.

In some areas, boroughs have put in place agreements with CEGs to enable them to investigate a range of council properties as potential sites. This could result in the development of an internal strategy or lead to more formal relationships, such as a community energy partnership to develop a portfolio of sites.

A useful starting point for project selection is talking to the estates team to look at roof replacement plans where these are available. You could facilitate a conversation between the CEG and your estates team to understand the scheduled replacements. Sites where a roof is due to be replaced make prime opportunities as CEGs can work directly with the roof installers to reduce overall project costs.

Identifying a council-owned site

2/2

More information

- Community Energy London has produced [a database and online tool](#) which enables boroughs to identify where sites with high potential for community energy exist.
- London Councils and the GLA have produced a [Community Energy Solar Opportunity Review](#) for each local authority in London that can help to support this exercise. This study works alongside the existing Community Energy London solar potential mapping tool and gives local authorities valuable insights into the opportunities for collaboration with CEGs locally.

Roof-spotting guidance for solar PV

CEGs will often explore a long list of potential sites in their borough for developing a solar PV array. This checklist will help you to work with them to identify suitable sites.

More information

- Repowering London's [Roof-spotting Guide](#) provides more detailed information.

Checklist for identifying suitable council roofs

- Flat, gently sloped or trapezoidal roof construction
- Enough space – roughly 8m² per kWp for sloped roofs. Flat roofs need more space to avoid panels shading each other. Large roofs provide economies of scale. More information from BRE [here](#).
- Facing south or east-west (not north)
- Accessible for construction (via a car park or access route)
- Roof in good condition and without leaks (load bearing will be confirmed by a structural survey)
- No scheduled renewal/replacement in the medium term (if works taking place in the short term, can the install be aligned)
- High on-site energy usage, to ensure sufficient demand
- Limited shading and clutter/roof furniture (e.g. air con units)
- No permission requirements (e.g. conservation zones or heritage/listed buildings)
- Flightpath considerations have been taken into account (usually impacting [City Airport Safeguarding Zone](#)).

Site spotting for ground-mounted PV

Checklist for identifying suitable sites

- Approximately 300m² in size (about the size of a tennis court)
- Flat/gently sloped and able to accommodate south-facing panels
- Road access for construction and maintenance and any issues with needing to enter private property to gain access
- If possible, a site with high energy usage to ensure there is sufficient demand to make the project economically viable
- Limited shading
- Likely to require a new network connection. Proximity to the distribution network and nearest substation is likely to be relevant at this stage.
- Any land use and/or zoning restrictions which might impact the project. Considerations might include:
 - Height or noise restrictions
 - Conservation zones or greenbelt restrictions
 - Flightpath considerations (usually impacting City Airport)

Solar car park canopies

An additional option that CEGs may want to explore is adding solar canopies to council-owned carparks.

According to [BRE guidance on solar car parks](#), long, double rows of car parking adjacent to high energy users tend to be the layout most suitable for solar canopies. Hospitals, airports, retail parks and large commercial premises often present such layouts. Open surface car parks tend to have lower install costs than the top floor of multi-storey car parks, due to easier access for construction etc.

Suitable car parks will need:

- Enough space to accommodate the canopies
- Not to be exposed to high winds
- Ideally the potential to house EV chargepoints.

Engaging the site owner/manager

1/2

Role of the CEG

The CEG should lead engagement with the site owner and manager. At this stage, they are gauging the level of interest in pursuing a project and seeking to understand the potential issues that may need tackled. Their aim is to start a relationship with the site owner/manager that is supportive.

Role of the climate officer

As the site owner/manager, it is the estates team or building manager who will engage with the CEG on the proposed opportunity. Who needs to be involved depends on the building and the management approach in your borough.

Some may have adopted the corporate landlord model, meaning buildings are centrally managed by the estates team; others may have more dispersed management arrangements. The borough may be the owner of a building that is used and managed by a third party. You can help the CEG to identify who the site owner/manager is and help facilitate contact. For simplicity, the toolkit refers to the estates team for the remainder of this section.

At this stage, the estates team should be encouraged to:

- Share information from any previous investigations into solar at the site
- Identify whether the building is locked into an existing electricity contract
- Supply energy bills (preferably in half hourly format) to determine energy use profiles and estimate potential savings
- Assess the ability to enter into a long-term lease on this site of at least 20 years – considering current use of the building and potential for it to be sold or to undergo change of use in the near term.
- Identify if there is any planned roof or site maintenance or renewal
- Identify issues related to accessing the site for operations and maintenance – such as safeguarding requirements for schools, social care or leisure facilities
- Review when the roof may be scheduled for replacement and whether there is any record of asbestos present.

Engaging the site owner/manager

2/2

As climate officer, you could help to facilitate the early conversations between the CEG and the estates team.

The estates team may need convincing of the benefits of working with a CEG.

More information

The *Embedding Community Energy* section provides additional useful insights for approaching borough colleagues.

Projects on school buildings

These need the consent of the school (whether an academy trust or otherwise) – usually this is given through the board of governors. CEGs should aim to engage directly with the school as early as possible. This will help ensure that the organisation is bought into the project at an early stage and that they understand the wide-ranging benefits of community energy partnership.

Key to early engagement is finding a ‘way in’, which might be through the head teacher, school governors, business manager, Parent Teachers Friends Association (PTFA) or a parent. You could support the CEG to identify this way in.

Pre-feasibility checks

Role of the CEG

The pre-feasibility checks are important to understand if a project is likely to be viable before investing further time and funds in further investigations.

The CEG should lead the process of estimating the potential size of the array and the associated cost and income potential of the site. Some sites might be suitable for battery storage alongside solar PV, which can help to match day-time generation with early morning or evening demand.

Costs include feasibility studies, installation and construction, operations and maintenance, leases, insurance, repairs, finance costs and community benefit payments.

Income will include the sale of electricity to the building user, as well as any payments for exporting surplus energy to the grid. The community organisation can use tools like [Energy Saving Trust's Solar Calculator](#) to get a rough idea of how the system might perform, including how much electricity could be used on-site or exported.

Your role

If the council is the building user, the borough's role is to act as the potential customer for the energy produced. The council will need to consider how buying electricity from the solar project will fit with its current electricity purchase arrangements, as the solar project is unlikely to meet all of the building's needs.

Where the building is used by a third party, the borough may support them in discussions with the CEG to negotiate a price for the electricity supplied and on any access issues.

Negotiations on Power Purchase Agreements or other contractual agreements will need to start at this stage to ensure that the borough or building user is willing to pay for the electricity at a level that enables a financially viable energy project. See [Agreeing a Power Purchase Agreement](#) for further information.

Initial discussions on potential lease arrangements will need to take place (see following slides).

Securing the site

1/3

Role of the CEG

The aim at this stage is to put in place an outline agreement with the borough to secure the use of the site. This might take the form of a Memorandum of Understanding (MOU). An MOU is a high-level agreement between the CEG and the council as site owner that the council is happy to commit to the project in principle, helping to protect the project without committing formal obligations, before feasibility is fully assessed.

In developing the MOU, there needs to be consideration of:

- A draft lease agreement between the borough and the CEG with formal clauses around access rights (for installation, repairs and inspections), operations and maintenance requirements and clauses for the terms, duration and termination of the solar panels.
- A draft PPA or other arrangement for the sale of power between the CEG and the operator of the site (which may be a third party) ([see Agreeing a PPA](#))

Your role

Internal business case: To give the go ahead, key decision makers in the finance team and estates team will need to understand the potential wider benefits, costs, risks and impacts of the project. You may need to develop a preliminary business case for the project, with the support of the CEG, to convince key decision makers and budget holders to commit to the project – this can then form the basis of a key decision report.

An internal business case will outline:

- How the project aligns with strategic objectives (briefly)
- Reasons for recommending the project and options considered
- Financial and legal impacts
- Proposal analysis and alternative options (e.g. council installing panels itself)
- Risk analysis.

You can find an [example](#) Key Decision Report from Hammersmith and Fulham here that will help you draft your business case.

Securing the site

2/3

Draft lease arrangements: Once it has been agreed that a project should progress, the estates team, with support from the legal team, will then need to issue a draft lease agreement that ensures clarity of roles and includes clauses that cover off key potential risks. Each lease will be different, depending on the specifics of the site, CEG and council.

Key considerations are:

- **Operations and maintenance considerations**, including access rights and monitoring (see [Operations and maintenance](#))
- **System outages.** What happens when the system is offline due to damage or during planned maintenance? Or if the system is offline due to issues relating to the building (e.g. redevelopment work on the site)? The CEG may require the council to bear the cost if the system is down as a result of issues relating to its operation of the building.
- **Insurance requirements** on both the council for the building and on the CEG for the equipment. The council might require the CEG to pay any increase in the insurance premium for the building resulting from the solar installation.
- **Conditions for the end of the project.** Will the project be decommissioned or will ownership be transferred to the council? Could a life extension be agreed?
- **Early termination.** What happens if the council needs to sell the building during the project lifetime? Can it buy out the CEG, and at what cost? What happens if the CEG ceases to operate?

[Camden's procurement of a preferred community energy partner](#)

includes the requirement to transfer ownership of the technologies to the building owner at the end of the lease period.

Securing the site

3/3

Lease arrangements are often for 'peppercorn' rent, which is not paid.

For buildings other than schools, the legal team will need to ensure that the leasing of the roof/land complies with the Local Government Act 1972 and General Disposal Consent 2003. To do this, they need to be assured that the lease will contribute or promote the economic, social or environmental wellbeing of the area and that the value of the lease (usually peppercorn) is not under-valued by more than £2 million. A valuation (usually by the internal surveyor team) needs to confirm this.

You can find a template lease agreement [here](#).

It includes, for example, clause 4.7 requiring the building owner to pay compensation to the CEG if the operation of the solar is disrupted for more than 60 days in any five-year period, subject to a maximum cap.

Due diligence checks: To agree to the project progressing, the borough's legal team will need to undertake due diligence on the project and CEG including investigating:

- The background, legal structure and constitution;
- Financial condition through the company accounts;
- Business operations and contractual obligations of the organisation
- Plans for any surplus generated by the project.

The legal team may also run credit checks on the installer undertaking the work on behalf of the CEG.

Securing the site - schools

There are additional consents required to agree a project on a council owned school site.

The council will need the consent of the school to enter into the lease agreement. This is usually agreed via the board of governors. As climate officer, you can support the CEG and the internal teams to understand the key issues and to communicate effectively.

Many schools in London are operated by academies, which means CEGs and local authorities must also partner with academy trusts to deliver projects. Governance may vary, but often, the academy trust will own and operate the school but lease the site from the local authority. Therefore, this will require tri-party negotiations and agreements to deliver the project.

Faith schools require sign off from the diocese, which can take an extended amount of time.

For a school to enter into a lease/PPA, the Department of Education needs to grant permission, which can be applied for using Form E. To approve this, it needs to have confirmed that the school could not make any additional revenue by using the roof space for an alternative use. This check can usually be undertaken by your internal surveyor team.

More information:

You can find an example Form E [here](#).

2.

Project development

This section contains information on:

- Engaging with the local community
- Completing feasibility studies
- Considering and applying for planning permission
- Securing a grid connection



Engaging with the local community

Role of the CEG

The CEG should lead the engagement with the local community. At this stage, engagement should focus on building support for the project in the wider community. At later stages, engagement may focus on any planning applications required and then on raising finance, e.g. through a community share offer.

Your role

As the site owner/operator, the borough should be able to put out supportive communications on the potential project.

You could put the CEG in touch with your borough's engagement team to use existing communication routes to promote the project.

Completing feasibility studies

Role of the CEG

The CEG should lead the process of completing feasibility studies.

Feasibility studies should include an assessment of:

- Technical features of the site and system design options including consideration of the roof structure and potential presence of asbestos
- Planning and regulatory considerations
- Site energy use assessment
- Financial appraisal that includes:
 - Costs including capital costs, professional fees, community engagement, insurance, operations and maintenance and decommissioning, metering
 - Income through export and from Power Purchase Agreement and potential bill savings for the building user
 - Financial model that considers payback period, potential return on investment, key sensitivities (e.g. changes to electricity prices or loan interest rates), capacity to generate community benefit funds.

- Legal and commercial considerations, including lease agreement terms, operations and maintenance responsibilities and insurance and liabilities
- Assessment of risks and mitigations: including technical risks (e.g. roof structure), financial risks (e.g. cost increases, electricity price changes) and project delivery risks (e.g. access constraints)

As a result of undertaking the feasibility studies, the CEG should be able to develop a business plan for the project.

Your role

You could provide support for this stage by:

- Supplying grants to cover feasibility work and/or supporting the CEG's applications for feasibility grants (see *Access to Funding and Finance* section).
- Providing access to the site for the feasibility studies and providing any additional data required.

More information

You can see an example feasibility study by Repowering London for Community Energy for a solar installation on a leisure centre [here](#).

Considering and applying for planning permission 1/2

Role of the CEG

It is the CEG's responsibility to check if planning permission is required for the project. In general, both domestic and non-domestic rooftop solar is permitted development. However, conservation areas and listed buildings may require planning or other permissions to be sought. Some CEGs prefer to submit a planning application for larger installations, even if they believe a site is subject to permitted development, as part of their enhanced due diligence.

Your role

It is the planning department's role to advise on whether planning permission is required for a site and to assess any applications received.

You could offer to support the CEG to access pre-application advice from a planning officer, helping to guide project development from an early stage.

You can find further information on working with the planning system on page 17 of the *Embedding Community Energy* section.

Your borough may have specific guidance on solar PV in conservation areas or where listed building consent is needed. If it does not, you could refer planning officers to guidance from other areas, e.g. [guidance from the Royal Borough of Kensington and Chelsea](#).

Considering and applying for planning permission 2/2

Rooftop solar

In 2023, permitted development rights were extended to rooftop solar projects over 1MW, with the upper limit removed.

Other requirements which apply include:

- Pitched roofs and walls: Panels must project no more than 200mm (0.2m) from the roof slope or wall surface and must not be higher than the highest point of the building.
- Flat Roofs: Panels must not protrude more than 1m from the roof surface.
- Conservation Areas: On a pitched roof, the panels must not be on a roof or wall facing a highway.

Permitted Development may not apply in situations where the site is located in a conservation area or on a heritage building.

Ground-mounted solar

For ground-mounted systems, permitted development applies provided it is:

- a single stand-alone system
- no larger than 9m²
- no taller than 4m
- at least 5m from the property boundary.

Solar canopies

Solar canopies are usually permitted on non-domestic off-street parking, provided they are:

- less than 4m in height
- greater than 10m from a house or block of flats
- not on land used under temporary use rights
- don't include advertising.

Prior approval may be required for siting, design, glare and visual impact

Securing a grid connection

1/2

Role of the CEG

It is the CEG's responsibility to secure a grid connection for the project.

If the group is connecting to the grid (which most urban installations of solar or any energy will be) they will have to make a DNO Application (usually G99 or G100). The process and type of connection will depend on the size of the project and the site's electrical setup.

The CEG should have an early conversation with the Distribution Network Operator (DNO) before submitting a formal grid application to help inform the project early on. The DNO will consider the grid application and produce a grid connection offer.

It is worth noting that:

- An application will have a cost, even if it is not granted.
- The CEG has a limited period of time to accept the "connection offer" (typically 90 days, but it may vary) and pay the connection costs.

UK Power Networks is the Distribution Network Operator for most of the greater London area. Scottish and Southern Energy Networks is the operator for areas of West London, including Hillingdon, Hounslow and Ealing. Both DNOs have dedicated teams to support local authorities and community energy.

Your role

Your role here is largely to ensure the CEG has considered connection and to support the process.

The borough needs to provide a Letter of Authority to the Community Energy group to make a formal application for grid connection to the DNO.

You may also be able to support the CEG to talk to the relevant team in the DNO, lending legitimacy to their initial enquiries.

Grid connection is usually the responsibility of the solar PV installers, who can help the community energy group through the process, advising on what they need from the council.

Securing a grid connection

2/2

More information:

- A template Letter of Authority is available [here](#) in the toolkit.
- UKPN's [Network Infrastructure and Usage Map](#) or SSEN's [Network Map](#) are available to support an initial assessment of available network capacity. [UKPN's pre-application support web pages](#) and [SSEN's new electricity connections webpages](#) may provide useful insights to the process.
- Community groups should contact UKPN or SSEN for further enquiries prior to making a grid connection application
- Community Energy Groups can access early advice from UK Power Networks (the DNO that serves most of London) via asktheexpert@ukpowernetworks.co.uk and communityenergy@ukpowernetworks.co.uk
- Energy Networks Association's [Connecting Community Energy - A guide to getting a network connection](#)

3.

Project finance and procurement

This section contains information on:

- Agreeing a Power Purchase Agreement
- Procurement considerations
- Raising finance

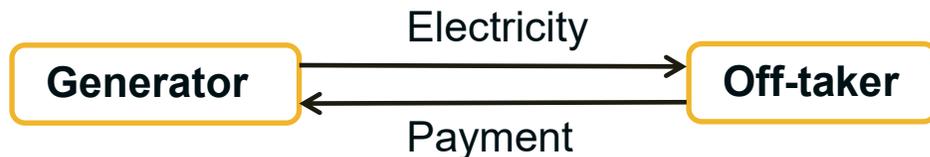


Agreeing a Power Purchase Agreement (PPA) 1/3

The business model for community energy generation projects usually involves selling the electricity produced to a local organisation, in the case of rooftop solar, this is usually the organisation occupying the building.

To enable this sale of electricity, the site operator (known as the off-taker) enters into a Power Purchase Agreement (PPA) with the CEG. A PPA is a contractual agreement between two parties, an energy generator and the consumer of energy.

The agreement requires the consumer to purchase the energy from the energy generator for a set price over an agreed-upon time period. The aim is to sell the electricity at a price that is lower than the site would otherwise buy from the grid but high enough to provide a return on investment for the project.



A PPA can also be key to project development, as it provides a guaranteed income over a certain time period,. The council is an ideal offtaker, as developers can enter into long-term PPAs with them, knowing that the organisation will still exist and require energy in 10 or 15 years' time.

A fixed priced PPA can provide energy users with a hedge against future price volatility by guaranteeing a set price for electricity over a certain period of time. There is a risk that the wholesale market price goes below the PPA price, which would result in the consumer paying more than they otherwise would have. The risk to the generator of a fixed price PPA is that inflation over the period of the arrangement means that the agreed price devalues over time. Fixed price PPAs will try to strike a price that balances the two sides of this risk.

Some PPAs are now index linked, providing some protection to the generator from inflation.

Some PPAs are a percentage discount arrangement, pegged to the market rate the site is paying (usually within a cap and floor).

Agreeing a Power Purchase Agreement (PPA) 2/3

Role of the CEG

Using the results of the feasibility study, the CEG can finalise negotiations with the council about the price for a PPA and key terms.

Key considerations in negotiating a PPA include:

- The price of electricity compared to the building's current supply
- Whether the price is fixed, index linked or a discount arrangement
- Current predictions of future electricity prices
- The length of the agreement – usually 10 to 15 years

At the end of the contract term, the PPA might be extended, the system decommissioned or given/sold to the site owner. Should a site owner move premises, the PPA should be transferred to the new owners of the building

Your role

Where the local authority is the site operator, they will enter the PPA with the community energy group.

The procurement team may need to check the value of the PPA to see if a procurement process is needed. This may be the case if the value of the contract (or contracts if several sites are developed by the same community energy organisation) exceeds procurement thresholds.

Where the council is the building owner but there is a separate entity responsible for the electricity bills, e.g. a school or leisure centre, the organisation paying the electricity bills will enter into the PPA. In this case, the council can provide legal guidance and reassurance to the party signing.

See [example](#) anonymised legal note from a council legal team to a school having reviewed the terms of PPA.

Agreeing a Power Purchase Agreement (PPA) 3/3

More information

- There are many different types of PPA, with various pros and cons. Regen's [Local authority models for developing renewable energy](#) highlights these for the most common types of PPA.
- This [Regen briefing note on PPAs and non-commodity relief](#) sets out further information on different types of PPA.
- A template PPA from Repowering London is available [here](#) – this PPA has been developed based on iterations from 21 projects around London.
- [Example](#) anonymised PPA advice note from legal team.

Procurement approaches

There are several approaches for councils to work with CEGs on sites on council roofs.

Ad hoc approach

The council might be approached by a CEG looking for a site and agree to a PPA and lease with the CEG. In some cases, this can proceed without any procurement requirements, if the value of the PPA is below both the Procurement Act threshold and the council's internal procurement threshold. Where these thresholds are exceeded or where multiple PPAs are to be agreed with one CEG, a competitive process might be needed.

This ad hoc approach may avoid lengthy procurement processes, enabling a small number of sites to be developed without additional procurement time or cost.

Preferred supplier approach

The council might choose to establish a preferred supplier relationship with a CEG. This may be time-consuming to establish, but once set up, it enables a straightforward approach to working on a series of sites with the same organisation, without going through a procurement process each time. For example, Newham have established a preferred supplier approach with Repowering London. Read Newham's cabinet report on this approach [here](#).

Council goes out to tender for a community energy partner

The council might choose to go out to tender for a partner. This can help to enable a fair process where there are multiple potential CEGs that can deliver projects in the area. However, the tender process can be overly burdensome for CEGs. One approach to reduce this burden may be to undertake initial preliminary market engagement to enable an invited process, rather than an open process.

Read more about Camden's procurement of a community energy partner [here](#).

Procurement considerations

1/2

The new Procurement Act came into force in February 2025 and now covers '[concession contracts](#)', defined as a contract for the supply, for pecuniary interest, of works or services to a contracting authority where: a) at least part of the consideration for that supply is a right for the supplier to exploit the works or services; and b) under the contract the supplier is exposed to a real operating risk.

Community energy solar on council roofs can be deemed to be a concession contract – with the council allowing the CEG to make use of local authority-owned roof spaces from which the community organisation gain an income. By agreeing to this, the council is transferring the risk, including real operating risk, to the CEG. Camden's [report](#) on its tender process for a community energy process sets out this rationale (see p.105).

The procurement threshold for concession contracts is currently (up to 31 December 2025) set at £5,372,609 inc. VAT (to be adjusted by government annually).

However, many councils have internal procurement policies that often set a much lower threshold for requiring a competitive process. Decisions to direct award contracts will be tightly restricted by the procurement team, who will need a clear demonstration that only the named organisation can deliver the service required.

When assessing whether a contract is above or below threshold, procurement teams must estimate the contract value, considering the full contract lifecycle, any potential extensions and include VAT. Often this means that entering a PPA with the same organisation through multiple contracts can trigger a full procurement process, even if each individual PPA contract is below the threshold.

If a commercial arrangement is worth less than the Procurement Act or council procurement threshold, it may be possible to agree the PPA directly without proceeding with a competitive process.

A chosen supplier route may be an option to avoid a full tender process in this case. Newham Council, for example, uses this approach to work with CEGs. This route required cabinet approval but now allows quicker movement on future contracts.

Procurement considerations

2/2

Your role

Procurement officers may not be aware of how CEGs operate.

You can support procurement officers to develop a fair process that will enable CEGs to secure PPAs with the council.

Potential considerations include:

- Tender processes can require a significant investment from the bidding organisation. You should consider if it is possible to avoid a competitive process by reducing the contract value or using a preferred supplier route. If not, can the competitive process be as light as possible – e.g. requiring quotes rather than a full tender.
- There are strict rules around contact with organisations during a tender process so as not to prejudice the outcome. However, CEGs may struggle with some aspects of the formal process, particularly if they have not completed a tender previously. You should consider how the council can offer support to them in a fair way that is in line with procurement rules.
- An open tender process may attract commercial organisations to bid. The tender notice and requirements need to make it clear that a community-led approach is critical. This might include specific social value requirements, as well as criteria on raising finance from the community.

Case study: Camden's preferred community energy partner procurement

The London Borough of Camden went out to tender to procure a community energy partner to deliver community energy projects on council building (e.g. schools, leisure centres and housing sites).



Their draft contract outlined key points, including:

- The CEG would be allowed to raise finance from people living and working in Camden which would fund the installation of low carbon measures in the building.
- Any measures such as rooftop solar would then be owned, maintained and operated by the tendered partner
- The agreement includes selling energy or recovering energy savings from the host building over 15 years.
- After the contract ends, the plan would be to transfer ownership of the technologies to the building owner

Having tested the market with preliminary engagement, the council established that the market is specialist and limited – only a small number of suitable organisations exist – and so it plans to undertake an invited procurement process. Key planned criteria for the procurement are:

- Forecast percentage reduction against prevailing retail electricity price
- How the community energy organisation plans to procure the panels
- The extent the CEG plans to raise finance from the Camden community
- Social value criteria, with the intention of delivering educational benefit to building occupiers.

More information:

A [cabinet report](#) (p.105 onwards) on the issue, sets out some of the rationale for going to procurement, which include consideration of procurement thresholds and enabling a smoother and quicker process in future for scaling up delivery of solar on council roofs with a community energy provider.

A [report on the Procurement strategy Community Energy Partner concession contract](#) to the Director of Environment and Sustainability sets out further details of the approach.

Raising finance

1/2

Role of the CEG

It is the CEG's role to raise the finance needed to build out the project. This may take the form of equity, debt (loans) or grants or a blended approach.

Equity includes:

- **Existing community funds:** cash reserves from previous activities or fundraising
- **Community share offers:** investment from the public who become members and receive a return
- **Other investors:** the council or other local organisations could also invest capital in the project

Loans may be sourced from banks or specialist social lenders (e.g. Repowering Finance) and secured against the project and its projected income.

Grants could be sourced from the borough council, regional funders or national funders.

Your role

If your borough has a community energy grant fund, you may be able to support the group to submit an application – taking care not to unfairly prejudice the grant giving process. The borough might also consider issuing a solicited grant, a loan or setting up a revolving loan fund.

If no internal funding is available, you could signpost organisations to available funding sources, such as the:

- GB Community Energy Fund
- London Community Energy Fund
- Philanthropic and other funds.

You could also support groups to apply to these funds. Support might include endorsement of a funding application or it could involve providing grant application writing support from an officer with relevant skills.

Raising finance

2/2

You could provide support for CEGs undertaking share offers.

For example, the borough could raise awareness of funding campaigns through existing engagement routes, effectively adding legitimacy. Care needs to be taken with this support to ensure that financial advice restrictions aren't breached – i.e. that the council isn't advising people where to invest their money. You may need to seek advice from the legal department.

In some cases, the borough may wish to be an investor in community-led projects, either directly or through its pension fund . You could support the CEG to approach the finance department to agree an approach to council investment.

More information

Grant funding information is available in the *Access to Funding and Finance* section.

4.

Construction

This section contains information on:

- Construction



Construction

Once all the permissions are in place, contracts are signed and finance has been raised, the project can move to construction.

Role of the CEG

The CEG will be responsible for selecting a contractor to undertake the installation. This may have formed part of their feasibility process and/or they may have a preferred partner. They should compare quotes not just for the cost of the panels and associated infrastructure, but for warranty terms, guarantees and maintenance costs.

They should check for references, certifications and track records, especially whether the installer has previously delivered community-scale projects. They should ensure installers have appropriate certifications and comply with electrical regulations and safety standards.

During the construction phase, the CEG will be responsible for managing the schedule, protecting the environment, ensuring worker safety and considering the impact on the general public (e.g. timing of construction and noise).

The construction timetable should consider the building use – e.g. for schools, construction should be completed during holiday periods. The CEG and the installer are responsible for considering construction impacts on parking, traffic and pedestrian access to sites.

Your role

As the building owner, the council will need to facilitate access during construction works. As a climate officer, you will need to link the group with the relevant departments and site managers, especially where other works are taking place.

5.

Operational phase

This section contains information on:

- Post-construction
- Operations and maintenance
- Assessing impact
- Decommissioning



Post-construction

As the owner of the asset, the CEG is responsible for coordinating with the site and the relevant stakeholders post-construction. This includes hand-over to the building manager of any information they need to know about the installation and storing relevant surveys, documentation, etc.

Role of the CEG

The CEG is responsible for:

- Handing over documents to relevant parties (i.e. the building manager and the council) including what to do in an emergency, copies of any surveys required etc.
- Conducting operations and maintenance as outlined in their agreements.
- Billing the site for the solar generated electricity as set out in the PPA.

Your role

To facilitate the post-construction phase, you should ensure that:

- All documents have been handed over to relevant parties (i.e. the site and the relevant departments).
- There is ongoing access for maintenance (by linking the CEG with the site manager to take it from there).
- You understand how you can access generation and savings information (this is usually shared in the CEG's Annual Report).

Operations and maintenance

1/2

Role of the CEG

As the owner of the asset, it is the responsibility (and in the interest) of the Community Energy group to conduct operations and maintenance of the site.

CEGs may work with an asset manager who will fulfil the operation and maintenance role on the organisation's behalf.

Your role

The borough will not be responsible for operations and maintenance of the solar installation, which can be viewed as an additional benefit of working with a CEG.

The borough role here is to ensure that O&M has been properly considered in the lease agreement with the CEG and to understand council responsibilities in facilitating access.

For schools, ongoing operation and maintenance requirements, including scheduled checks and renewal works, should be completed at times that limit disruption to the school day. To ensure the safety and well-being of the school, members of a CEG or its contractors may be subject to appropriate Disclosure and Barring Service (DBS) checks if they are need to visit the site during school hours.

Operations and maintenance

2/2

Operations and maintenance include:

- **Monitoring of system performance:** ongoing reviews of generation data against forecasts and investigating any anomalies.
- **Regular asset health checks:** Regular checks of elements of the assets for fire safety, including the inverters and wiring, for any signs of wear or damage.
- **Cleaning panels:** Removing any dirt and dust from panels to ensure efficient operation.
- **Vegetation management:** Inspecting any vegetation around the assets to prevent any safety risks or shading of the asset.
- **Annual and 5 yearly maintenance:** More comprehensive maintenance periods will take place, typically annually and may include:
 - Testing of all the assets' electrical equipment
 - Checking firmware is up-to-date
 - Calibration of monitoring and metering equipment
 - Reviewing safety and emergency protocols
 - Full electrical testing (usually 5 yearly)

More information:

More detailed information on [best practice for operation and maintenance of solar PV assets](#) is provided by SolarPower Europe

Assessing impact

Role of the CEG

As the owner of the solar array, the CEG will lead on monitoring and reporting the performance of the solar project. This will be crucial to ensuring that the project is generating the expected level of electricity and financial returns.

The project should have wider impacts beyond electricity generation and it is useful for CEGs to track and report on these wider impacts, if possible. For example: these will include economic impacts such as local supply chain impacts and community benefit fund creation and social impacts such as increased social cohesion.

Your role

You can work with the community group, attend Annual General Meetings or request annual reports to keep track of the benefits that a community energy project is bringing to your borough. You can highlight these successes when considering future projects, or the establishment of a community energy fund.

Decommissioning

Role of the CEG

Arrangements for decommissioning the project should be considered in the lease agreement. Often solar panels will continue to generate long after the planned project end date. Panels usually have a product lifetime of 25-30 years and projects (and the leases) run for 15-20 years.

End of lease options might be that:

- the community organisation is responsible for removing the panels and restoring the site at the end of the project
- asset ownership will be passed to the council
- there is an opt-in option to extend the contract under new terms.

Much of a silicon-based PV panel can be recycled. PV Cycle is a take back and recycling scheme for PV panels, providing full compliance services under the Waste Electrical and Electronic Equipment (WEEE) Directive for the UK.

Your role

The council will need to agree an approach to the end of life for the project with the CEG as part of the lease agreement. At the end of the lease, you can help to facilitate conversations about extending the life of project or a new project on the site.

6.

Appendix: Summary of considerations relating to schools



Appendix: Summary of considerations relating to schools

There are a number of considerations when developing community led projects on council-owned school buildings.

- **Secondary vs primary:** Due to their larger pupil numbers, secondary schools tend to have higher electricity use and may have larger buildings to accommodate panels – making them more viable as sites than primary schools.
- **Academies:** Many schools in London are operated by academies, which means CEGs and local authorities must also partner with academy trusts to deliver projects. Governance may vary, but often, the academy trust will own and operate the school but lease the site from the local authority. Therefore, this will require tri-party negotiations and agreements to deliver the project.
- **Board of governors:** School projects need the consent of the school (whether an academy trust or otherwise). Usually this is given through the board of governors. Engaging directly with the school as early as possible will help ensure that the organisation is bought into the project at an early stage and that they understand the wide-ranging benefits of community energy partnership.
- **Department of education sign off:** The DfE needs to grant permission for a school to enter into a Lease/PPA. An application called Form E will need to be submitted to DfE. To approve this, it needs to have confirmed that the school could not make any additional revenue by using the roof space for an alternative use. This can usually be undertaken by your internal Surveyor team..

Appendix: Summary of considerations relating to schools

- **Faith schools:** Faith schools require sign off from the diocese, which can take an extended amount of time.
- **Supporting schools to negotiate a PPA:** Where the council is the building owner but there is a separate entity responsible for the electricity bills, e.g. a school or leisure centre, the organisation paying the electricity bills will enter into the PPA. In this case, the council can provide legal guidance and reassurance to the party signing (see [example anonymised legal note](#) from a council legal team to a school having reviewed the terms of PPA).
- **Construction timeframes:** Mapping out delivery timeframes that take place outside of term time can help to create buy-in from leaders at the school site and within the local authority education departments.
- **Operations and maintenance:** Scheduled checks and renewal works should be completed at times that limit disruption to the school.
- **Safeguarding:** Members of a CEG or its contractors may be subject to appropriate Disclosure and Barring Service (DBS) checks if they are need to visit the site during school hours. Liaising with the school on the issue of DBS checks and access should be undertaken early to understand the most practical way to deliver and maintain projects with minimal disruption for all parties.
- [The Schools Energy Co-operative](#), [Solar for Schools](#) and [Retrofit Action for Tomorrow \(RAFT\)](#) are three non-profit organisations working with schools and communities on a range of decarbonisation projects.



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To access the full toolkit, visit the [SharePoint page](#)