

Request to Quote

Establishing Re-Energise Manor Royal;
a Local Energy Community for Manor Royal

Date: 15 July 2024



1. Introduction

Re-Energise Manor Royal (REMR) was established in 2023 to foster the development of a local, renewables based zero carbon energy system for businesses based at Manor Royal. It is a not-for-profit community benefit society hosted by the Manor Royal BID and supported by Crawley Borough Council and West Sussex County Council (WSCC). Plans for REMR were co-developed with businesses over the previous 6 years, facilitated by EU funded projects (LECSEA¹ and BISEPS²) in which WSCC was a partner.

The Manor Royal Business District is one of the largest industrial business parks in England and home to more than 600 companies of varying sizes and from different sectors, including manufacturing, retail and administration. Approximately 30,000 people work at Manor Royal. There is the opportunity to pioneer the net zero transition of existing business and industrial parks, retrofitting renewable technologies to create a smart local energy system (SLES).

The vision for REMR is to facilitate investment in clean energy technologies and share the benefits through local trading of electricity and heat thereby establishing Manor Royal as leading the transition to sustainable, local renewable energy for business to help secure long-term energy price stability, capacity increase and air quality improvements

Following registration of REMR Ltd (trading as Re-Energise Manor Royal) as a Community Benefit Society we are seeking to appoint a suitably robust and experienced third party to act as a delivery partner for REMR.

Work to date

Analysis during the EU-funded BISEPS and LECSEA project showed clear potential for companies to increase the benefit they get from generating and sharing renewable electricity and heat energy by cooperating. The subsequent project supported the establishment of REMR as a forerunner of others in the county.

Extensive consultation with businesses and preparation of example feasibility studies during the EU funded projects, built awareness and support for large-scale adoption of renewable energy and its deployment in an integrated way. A steering group including businesses, the BID, the councils and other stakeholders gave strategic direction and ensured the development work was grounded in the community of businesses at Manor Royal.

Over the development period the importance to businesses of reducing carbon emissions grew. This was reflected in the support for REMR. The vision for a SLES was endorsed by the businesses who recognised the benefits of working together over working independently, in silos on a building-by-building basis.

Annual monitoring of the most important issues for Manor Royal businesses by the BID at its AGM and through surveys shows increasing desire for carbon reduction, net zero and sustainability even before recent energy price volatility.

¹ The Local Energy Communities in the 2 Seas area project was funded by the EU Interreg 2 Seas programme and was informed by the Renewable Energy Directive (2018/2001/EU) which promotes local renewable energy communities in member states www.lecsea.eu. It ended in March 2023.

² The Business clusters Integrated Sustainable Energy PackageS project was funded by the EU Interreg 2 Seas programme, concluding in 2020.

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In January 2023 REMR was registered as a Community Benefit Society (BenCom), a form of cooperative.

A first Business Plan was prepared and is available on request. This has an initial focus on rooftop solar PV and battery storage as well-known technologies that will provide an excellent platform for new projects as REMR matures.

A target of at least 5MW of rooftop solar in 5 years will create an asset base to support additional income generation through activities such as flexibility provision to the network and peer-to-peer energy trading.

Crawley Borough Council has allocated £1m from their Towns Fund award to support capital investment in renewable energy at Manor Royal. It is anticipated that this will be available to REMR from Q3 2024, delayed by approximately a year from its planned availability while subsidy control issues were resolved. The Towns Fund grant will be administered by the Manor Royal BID and must be spent on installing rooftop PV in Manor Royal by 31st March 2026.

The successful delivery partner will be required to comply with the conditions of the Towns Fund Grant.

After the launch of REMR an initial round of engagement with businesses led to indicative offers for rooftop PV being made to 5 companies with planned total capacity of 1 MW. In 4 cases these were supported by quotations from installers. The delay in the release of the Towns Fund prevented these being installed but this is clear evidence of the potential for REMR.

Long term ambition

The goal of Re-Energise Manor Royal is to help businesses achieve their net zero goals by the development of a smart local energy system integrating power, heat and transport. Initially, local renewable electricity generation and use has been selected as the best way to establish REMR. REMR will:

- be an exemplar of good practice in the onsite generation, storage and sharing of energy generated on site from renewables, across a multi-owned and tenanted business district;
- stabilise energy prices for Manor Royal companies;
- help to increase local energy capacity;
- reduce CO₂ emissions across the business district;
- generate a profit for the development of further energy projects and investment in them;
- be a source of expertise and advice on energy efficiency and renewables for Manor Royal businesses; and
- inform the County Council's support of the development of Local Energy Communities in other locations in West Sussex

Features of REMR

- owned by its members, Manor Royal businesses and investors;
- provides a dedicated point of contact to engage with MR businesses, build relationships with them and their confidence in REMR's programme;
- focussed on growth leading to increasing membership and portfolio of projects it owns and manages;

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- draws investment into Manor Royal through funding of projects using community share and bond issues as well as commercial finance;
- makes services such as O&M or peer to peer energy trading available to all owners of renewable energy equipment on Manor Royal;
- retains operating surpluses for future support and development of REMR and its services;
- a credible and reliable source of advice on renewable energy, energy storage, sharing and other related services operating as a "one-stop-shop" for carbon reduction services, advice and signposting to other forms of support as required.

2. Expected outcomes of this procurement

REMR is now at the point of practical implementation of rooftop solar PV and is seeking a delivery partner to manage this process and develop the capacity of REMR so it becomes a self-sustaining and growing organisation providing support to businesses and residents in and around Manor Royal.

REMR, with the support of WSCC and the BID, is using a Total Outsource Model for its operations. In this the REMR Board provide oversight and strategic direction to the appointed delivery partner. The delivery partner will be responsible for all day-to-day operational matters, longer term planning and the development and implementation of renewable energy projects.

This procurement is for a 2 stage contract.

1. Reengagement with businesses that previously had quotations for rooftop solar PV, review and updating proposals and reconfirmation of interest from the businesses.

Reporting back so a decision can be made on progressing the project to the next stage, Stage 2, and whether the Towns Fund grant is an appropriate funding mechanism for REMR.
2. Assuming approval by the Manor Royal BID board of the use of Towns Fund monies the expectation is that by the end of November 2024 the appointed delivery partner will have:
 - prepared a costed, credible business plan agreed by the REMR board that ensures the future viability of REMR as a self-financing operation into the future. This to include the identification of the costs and financing required, the time period and the necessary conditions for REMR to achieve self-financing status and sustainable operation;
 - brought the first group of projects to the point of delivery, including arranging co-finance to the Towns Fund grant;
 - identified a growing pipeline of renewable energy investment projects for REMR with Manor Royal businesses;
 - worked with the REMR board and partners to develop a strategic development plan for REMR; and
 - provided WSCC with a "lessons learned" report and template contracts to guide its identification and development of further LECs in West Sussex.

The appointment for Stage 1 will be made by the Manor Royal BID.

Progress to Stage 2 will be dependent on proof and reconfirmation of interest from businesses.

Subject to their being proof of sufficient interest, appointment for Stage 2 will be made by REMR.

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3. Delivery Partner requirements

REMR is seeking a delivery partner who:

- has a demonstrated capability to support developing not-for-profit member-led organisations delivering local energy projects;
- has a proven track record of developing and delivering a project pipeline of renewable energy projects on third party properties;
- can provide advice and guidance on a range of financing options for renewable energy projects, including but not limited to organising share issues;
- understands the concept of a smart local energy system and how REMR can be central to delivering this; and
- has experience of working with a range of partners including small and large businesses and local authorities.

4. ITQ response

WSSC and the REMR are expecting responses that answer the following questions:

1. **Experience (25%):** What experience do you have of developing and supporting member-led organisations to deliver local energy projects? (We are particularly interested in your experience of working in a commercial setting and of advising on future finance options, including but not limited to share issues)
2. **Resources (10%):** How would you go about assessing the support for REMR among Manor Royal businesses, what capacity do you have for undertaking the task and what other support or resources would you need?
3. **Support & development (20%):** Based on your experience, how would you build a pipeline of projects and provide support to REMR bearing in mind the Total Outsource Model required. (Appendix 1 gives an indication of the areas where support is likely to be needed, please include other areas if your experience suggests they will also be required).
4. **Programme (10%):** Please provide a draft plan of work identifying milestones to be achieved, split into Phase 1 and Phase 2.
5. **Cost (35%):** How much would you charge for to carry out the assignment? Submissions should clearly cost each stage separately, as shown in Section 2. Submissions should provide an indication of the cost of undertaking Phase 1 (a task and finish exercise) and Phase 2 (the on-going management of REMR) and at what point you would expect the project to become self-financing ie at what point would your costs of running REMR be met from REMR energy customers, including any assumptions.

Scoring: Each question will be scored out of 10 with a weighting of 65% for Quality and 35% for Price, as indicated.

5. Performance Reporting

Regular contact and reporting with key stakeholders is required, including adherence to the Towns Fund reporting requirements via the Manor Royal BID. Full compliance with the conditions of the

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Towns Fund is essential and non-negotiable. This will include weekly or fortnightly update meetings with MR BID and WSCC staff. The meetings may be physical or virtual as agreed.

Monthly reports of progress against the agreed plan will be made to the REMR Board, who in turn are expected to report to the Manor Royal BID Board for the duration of the Towns Fund funding.

6. Towns Fund (related to Phase 2)

This project benefits from a grant allocation of £1m from the Crawley Towns Fund, negotiated with Crawley Borough Council by the Manor Royal BID. An obligation of this funding, which was made available to Crawley Borough Council by the Department for Levelling Up, Housing and Communities (DLUHC) now the Ministry of Housing, Communities and Local Government (MHCLG), is for the Manor Royal BID to comply with the terms and conditions of a legal agreement signed between Crawley Borough Council and the BID.

This legal agreement makes clear what the funding can and cannot be spent on, how value for money must be demonstrated and regular reporting to the Council on progress. As part of this project, it will fall upon REMR and its appointed delivery partner to fully comply with the terms and conditions of the Towns Fund legal agreement. These obligations will remain in place for the duration of the funding that must be spent by 31 March 2026.

7. Start-up Funding (related to Phase 1 and early Phase 2)

This project also benefits from a grant of £35,000 awarded by the Coast to Capital Local Enterprise Partnership (LEP) to develop a fully tested business case and "lessons learned" document for establishing Smart Local Energy Systems (SLES) in a business park environment. It is anticipated that these funds will be used to resource Phase 1 (Re-engagement and appetite testing) of the project and the early phases of Phase 2 (Establishment and operation).

8. Risks and Dependencies

The table below sets out the issues identified by the project team for information of bidders. It is not a complete list and bidders are expected to provide risk assessments for their proposed work plan.

Description of risk/dependency	Mitigation
Appetite of businesses and landlords	Good communications and information to businesses Compelling business plans and savings for businesses and clear evidence of benefits for landlords.
Planning considerations for larger PV arrays	Include provision for planning in timeline for investment. Prior approval required if over 50kW
Proximity to Gatwick Airport	Engagement with airport and planners over management of potential glare and projects within the safeguarded zone.
WSCC investment in complementary projects may lead to confusion about REMR's operations	Progress development of pipeline without delay. Investigate alternative funding models as back up. Risk low as WSCC does not currently (May 2024) have active project development at Manor Royal.

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Supply chain failures for PV and associated equipment leading to scarcity and volatile prices	Good forward planning and project-by-project evaluation of costs and benefits
Network constraints if significant quantity of PV and batteries installed	Participation in UKPN's local net zero hub, connection workshops and early applications for connection agreements.
Commercial competitors now operating in market	Clear messaging about the benefits of REMR as a CBS. Competitive pricing and matching innovations from commercial providers.
Securing revenue funding for start-up period (18 months)	Early engagement with potential funders.

9. Timetable

It is anticipated that the delivery partner will be fully resourced and on-site at Manor Royal within 4 weeks of appointment.

Milestone	Deadline / Date
Publish Invitation to Quote	17 July 2024
Last Date for Supplier Clarifications	29 July 2024
Return Date	12 August 2024
Evaluation	23 August 2024
Award Contract	30 August 2024
Contract Start Date	Within four weeks of award

Evaluation of submissions will be made by the project team to include representatives from Manor Royal BID, West Sussex County Council, Crawley Borough Council and REMR.

Appointments for each of the two Stages will be as described in Section 2.

10. Queries and Submissions

Any questions should be directed to Steve Sawyer, Executive Director of the Manor Royal BID, to whom submissions should also be sent.

Submissions should be made electronically.

Steve Sawyer, Executive Director

Manor Royal BID

Unit 38 Basepoint Business Centre, Metcalf Way, Crawley, West Sussex, RH11 7XX

steve@manorroyal.org / 01293 813 866 /07881 514 656

More information about the project can be found at www.manorroyal.org/energy

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Appendix 1 Areas where REMR requires support

REMR has opted for a Total Outsource Model of operation to allow it to fully benefit from the knowledge and experience of the appointed delivery partner.

Areas where it is known that support is needed are listed below. In your response, please suggest additional support that you consider necessary for the success of REMR.

- 1** Review Pipeline sites
 - 1.1 Establish businesses are still interested in REMR offer.
 - 1.2 Review and update REMR offer, if appropriate.
 - 1.3 Develop a finance plan for the period until REMR has sufficient income from sales to support its operations.

- 2** STAGE GATE – if businesses on MR are still interested then REMR will require support for:

- 3** Core on-going administration services
 - 3.1 Financial
 - 3.1.1 Bookkeeping
 - 3.1.2 Tax administration, including preparing and filing FCA accounts, Corporation Tax return, registering for VAT when needed
 - 3.1.3 Invoicing
 - 3.1.4 Debt collection
 - 3.1.5 Budget preparation and budgetary control
 - 3.1.6 Management of accounts
 - 3.1.7 Payment of suppliers
 - 3.1.8 Audit arrangements
 - 3.1.9 Treasury
 - 3.1.10 Insurance arrangements

 - 3.2 Share Registry
 - 3.2.1 maintaining registers and changes
 - 3.2.2 payments of interest
 - 3.2.3 share redemptions

 - 3.3 Company Secretary, might also act as a Director

 - 3.4 Communications and marketing support
 - 3.4.1 Shareholder communications
 - 3.4.2 Board support
 - 3.4.3 Website

 - 3.5 Asset management
 - 3.5.1 Monitoring
 - 3.5.2 Power sales
 - 3.5.3 Managing the maintenance contractors

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4 Project development and installation

- 4.1 Promotion and marketing of REMR's services to Manor Royal based businesses, property owners and their agents and tenants.
- 4.2 Technical support in identification and evaluation of potential projects
- 4.3 Dealing with complex sites e.g. site with landlord and tenant where REMR is a third party investor, or working with developers to include REMR renewable energy investment on sites in development
- 4.4 Provision of template contracts and leases for simple and complex sites
- 4.5 Feasibility studies and the process to progress from project idea to investible business cases and project plans
- 4.6 Market intelligence and procurement of installation for first project(s)
- 4.7 Management of and supervision of delivery – ensuring quality installations
- 4.8 Post-install monitoring, operations and maintenance provision
- 4.9 Administration of a community share issue, if required for first installation