

## Project type: Working with installers and negotiating discounts

### Name of example: Muswell Hill Low-Carbon Buying Group

#### The organisation

Muswell Hill Sustainability Group (MHSG) was set up in 2008 by a group of local residents concerned about climate change and wanting to promote local action to reduce energy use, implement renewable energy technologies and encourage residents to live more sustainable lifestyles. To date, the group has had success through a number of initiatives, including the establishment of the Muswell Hill Low Carbon Zone and its 100 Homes project. In order to handle the contracts and financial arrangements implicit in the operations of the group, MHSG set up en10ergy, a social enterprise registered with the Financial Services Authority, in 2009.

#### The project

The aim of the Low Carbon Buying Group was to assist its members to purchase energy efficient condensing boilers, replacement windows and photovoltaic or solar thermal systems from reliable installers at lower cost and with longer warranties. This was to be achieved by establishing and maintaining a network of approved manufacturers and installers willing to offer discounts on installations to the group's members.

The Low Carbon Buying Group was launched in November 2010 with solar photovoltaic panels and solar hot water systems being the first products available through the scheme. The group targeted a number of installers who operated within the local area, and vetted them according to the following criteria:

- Experience, in particular completed local installations
- Membership/registration with relevant trade bodies
- Make and model of equipment they would provide
- Typical cost of installations of different sizes
- Warranties offered

They also followed up on references for each of the short-listed companies, and eventually approached four installers to negotiate discounts for potential group members. These installers were Ecodemus, Engensa, Hatch Solar and Southern Solar.

MHSG offered to play a signposting role to the selected companies, providing the installers with a direct route to market whilst also reducing their operational costs and giving them an opportunity to build up their reputation within the area. The group were able to use their work on projects such as the Muswell Hill

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Low Carbon Zone to demonstrate their ability to reach a large number of potential customers. In return, the installers offered discounts on the costs of installation of between 10 and 20 percent (excluding the costs of scaffolding) on any successful installations resulting from the relationship with the group.

The group publicised the buying group on their website, in regular newsletters and in their online community forum. They also carried out a series of workshops and events at which they were able to further advertise the scheme and its benefits to the community. In order to receive the discount, potential customers must sign up to MHSG and pay an annual registration fee. They will then receive a membership number, which can be provided to the relevant companies on approach. The installers will then apply the discount and put together a quote for the work.

Building on the success of the solar buying group, MHSG expanded the scheme in 2011 to cover condensing boilers. The group worked to create a new network of boiler manufacturers, distributors and installers to provide value for money throughout the supply chain, and selected Veissmann and Vaillant as its partner manufacturers. They also negotiated discounts with Plumbase (a distributor) and two local plumbing and heating firms. Again, all firms in the network were vetted according to a set of criteria and references checked. In addition to a 15% discount, all installations through the scheme include weather compensating controls to further increase efficiency, as well as an extended five year warranty at no extra cost.

As part of the scheme, the group negotiated a referral fee from the solar installers and boiler manufacturers of around £80 to £100 for each successful installation. This fee is payable to en10ergy to cover the scheme's administration costs and be invested in future company activities. Project finances are managed through en10ergy, which uses the revenue generated to cover the costs of running the scheme and direct any surplus into funding other carbon reduction projects within the local area.

In order to monitor the quality of installations and resulting customer experience, the group asks individuals who sign up to the buying group and accept a quote from one of the listed installers to complete a questionnaire about the system, the installer and their costs. This ensures ongoing quality within the scheme and the information is used to help future scheme participants choose which installer(s) to approach. This information is published on the group's website.

The scheme has recently been extended once again to include replacement windows and it is hoped that solid wall insulation will also be covered in the future.

## **Achievements**

Since the scheme began, 60 households have installed measures through the buying group. Of this, 30 were boiler installations, 20 were solar technology installations and 10 were replacement windows.

The project has generated over £3,000 income through the referral payment system. A portion of this money has been used to subsidise the purchase of LED light bulbs, energy monitors and draught-proofing materials, which have then been sold on to group members at a significant discount.

Encouraging individuals to take up membership has meant that the group have been able to spread their wider message about carbon reduction, and many people who have bought through the buying scheme have gone on to attend further workshops and group talks.

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## Lessons learned

MHSG have found that the main constraint has been volunteer time, particularly to keep in contact with each of the suppliers, follow up with households on the quality of work carried out by the installers, and for the administration of invoices and commission payments.

The group also found that the number of installations of solar technologies fell significantly following the reduction of the feed-in tariff, therefore it should be noted that even the best laid plans are subject to changes in policy.

## Links

Muswell Hill Sustainability Group: [www.mhsgroup.org](http://www.mhsgroup.org)

en10energy: [www.en10ergy.co.uk](http://www.en10ergy.co.uk)

More useful information at: [www.communitypathways.org.uk/approach/set-bulk-buy-scheme-energy-efficiency-measures-and-or-domestic-renewables](http://www.communitypathways.org.uk/approach/set-bulk-buy-scheme-energy-efficiency-measures-and-or-domestic-renewables)

## Resources

People



The members involved in setting up and administering the scheme were all volunteers from MHSG. The group were fortunate in that one of the group members is very knowledgeable on the subject of low carbon refurbishment, and therefore had free access to this expertise.

Technical skills



Skills to facilitate effective negotiations with installers are key in a project like this. Having a certain level of specialist technical knowledge also helps with the identification of appropriate network members.

Finances



The Low Carbon Buying Group is funded through a combination of the following:

- Members of MHSG pay an annual membership fee of £10 (this is a pre-requisite for joining the Low Carbon Buying Group).
- The installers/manufacturers pay a referral fee of around £80 to £100 for each successful installation.
- Shares in en10ergy can be purchased for £1 each, allowing the local population to invest in its activities with the expectation of a social dividend rather than financial return.

Project partners



The group has built up good relationships with the manufacturers, distributors and installers involved in the scheme. Haringey Council have also published details of the scheme on their website and in their magazine to raise awareness of the project within the community.

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## **Green Deal potential**

Community initiatives aimed at establishing links with local installers such as this one have great potential for integration into the Green Deal process and can create substantial benefits for the local community. Community groups can guide property owners through their application for finance and can direct them to accredited local Green Deal Assessors and Providers, thus reducing the amount of time, the level of risk and potentially the cost to the householder of installing energy efficiency measures. Community groups like Muswell Hill Sustainability Group are well-placed to raise awareness of the benefits of the Green Deal and provide impartial and trusted guidance on the process, both of which can increase take up of the scheme in the local area.