

**Soft Market Test**

For

Utility Billing platform and services for the Swaffham Prior Heating Network

Cambridgeshire County Council

Ref: 23052

## Section 1: Introduction

### 1. General Requirements

- 1.1. The purpose of this document is to briefly explain to suppliers the business and technical requirements and the expected scope of providing a full billing platform and services for the Swaffham Heating Network in order that suppliers can explain the relevance of products, services and their experience to the requirements.
- 1.2. **Please note:** this market testing exercise is **not** an invitation to tender or a request for formal expressions of interest. This document does not form any part of an invitation to tender. CCC is issuing this request for **information only**. Any supplier invited to present to CCC is doing so to support market research only and to help make any potential procurement process more focused and efficient. No supplier selection or supplier preference is implied.

### 2. Confidentiality and Freedom of Information (FOI)

- 2.1. **Please note:** all information included in this Soft Market Testing is confidential and only for the recipients' knowledge. No information included in this document or in discussions connected to it may be disclosed to any other party without prior written authorisation.
- 2.2. All responses will be treated confidentially. However, please be aware that we are subject to the disclosure requirements of the FOI Act and that potentially any information we hold is liable to disclosure under that Act. For this reason, we strongly advise that any information you consider to be confidential is labelled as such. In the event that a request is subsequently made for disclosure under FOI the request will be dealt with in accordance with the legislation.

### 3. Background

- 3.1. The Council provides county-wide services to all its citizens, has numerous statutory responsibilities, including in respect of the provision of education, and supports blue light services, the health sector, charities, and other local Authorities. The Council's strategic objectives are to provide a good quality of life for everyone living in the county, creating thriving places for people to live and give the best start for Cambridgeshire's children
- 3.2. The Council has declared a Climate emergency, and is working to transition to a net-zero future by 2045 - [Climate Change and Environment Strategy](#).

- 3.3. The Climate Change and the Energy Service team within Cambridgeshire County Council has been developing a portfolio of large-scale (>1MW) renewable energy projects.
- 3.4. The Swaffham Prior Heat Network is the first of its kind to retrofit renewable heat into an existing village. Heat is produced through Ground Source Heat Pumps, Air Source Heat Pumps and Electro Boilers for back up.  
<https://www.cambridgeshire.gov.uk/swaffhampriorheatnetwork>

#### 4. Soft Market Test Timetable

- 4.1. Please read this document and if you feel that your organisation is able to contribute to this exercise please complete the questionnaire at the end of this document and return, via Microsoft Forms Questionnaire by 17.00 on Monday 25<sup>th</sup> September.
- 4.2.

Stage	Date
Deadline for receipt of responses to Soft Market Test.	Monday 25 September
Procurement launched	End 2023

- 4.3. Potential responders will not be prejudiced in any future procurement processes by either responding or not responding to this soft market test exercise.

## Section 2: Identification of Requirement

#### 5. Current Situation

- 5.1. The Council/Authority is looking to appoint a Provider to offer a utility (heat) billing platform and service, which will be suitable and sufficient for the Swaffham Prior Heat Network.
- 5.2. There are 300 homes within the Swaffham Prior Heating Network. Currently there are 78 signed up as customers/users which are currently being connected, along with 49 potential customers with Social Housing (Sanctuary Housing and Cambridges Housing Society) that will over time will be connected. There is a five-year sales strategy to have 90% of the village signed up and anticipate there will be 100-150 in the next two years.
- 5.3. The service is for the complete and total management from collection of meter data to the issuing of bills to customers, to customer service and debt management.
- 5.4. All homes connected to the network will have a Liberty 100 open-source heat meter installed in the property. This heat meter will record energy usage. This energy data will need to be collected and transmitted for processing into monthly invoices.

- 5.5. In addition, provide support and guidance to the Authority as they become an established Utility provider for its residents.
- 5.6. The service will also need to comply with Heat Trust Rules and the Councils Debt Management and Recovery Policy.
- 5.7. All customer properties are being fitted with a Liberty 100 smart meter and data is being collected by the current supplier and sent to us in an excel sheet. The Council has a system in place to manipulate the data and are producing bills for the Variable and Standing Charge and these bills are issued to customers. This in house system is not sustainable once we have a larger number of customer connected to the heat network.

## 6. Our Requirements

- 6.1. The Swaffham Prior Heat Network charges a Variable and Standing Charge, these charges are reviewed annually in October and the new price is set every 1 January.
  - The Variable Charge is a payment for heat used in kWh measured by the Liberty 100 heat meter installed in the customers property. The price is reviewed in line with the oil component of CPI until 2027 where it transfers over to electricity CPI over time.
  - The Standing Charge covers the infrastructure costs to deliver heat and maintenance of the system. Homes in the village are of various ages, sizes, and structures. The size of the home determines the daily rate of standing charge applied based on the size of the property and we have four bandings:
    - 50-99m<sup>2</sup>
    - 100-149 m<sup>2</sup>
    - 150-199 m<sup>2</sup>
    - 199+ m<sup>2</sup>
- 6.2. We also have a few billing requirements to accommodate the arrangements we have with customers, these include:
  - Private owners will received the Variable and Standing Charge
  - Sanctuary Housing residents will receive Variable Charge only and the Standing Charge will be paid by Sanctuary Housing, as the landlord
  - Private customers will have 5% VAT added to their bills
  - Commercial customers will have 20% VAT added to their bills and potentially a different tariff (this would only include the Pub).
  - A few customers will have two heat meters who will be issued one bill
  - Ability to charge additional items, such as abortive call out, dept processing, reconnection charges, loss or damage to the system
- 6.3. We are looking for a solution that will accommodate:
  - Cloud storage to be located in the UK
  - Access to Liberty 100 Heat Meter data and collate the data to enable billing

- Collate heat data usage (and identify any anomalies, i.e. heat data not transmitted or unusual trends that may identify issues with the heat meter)
- Issue accurate bills to customers based on:
  - actual heat consumption and usage
  - Standing Charge as per property size
  - agreed tariff charges that are reviewed annually
- Issue annual usage statements to customers
- Provide flexible billing payment options, i.e. quarterly or monthly
- Provide a variety of payment methods, including direct debit, credit or debit card
- Enable customers to have their bill sent to them via their preferred contact method
- Service provider to provide reports to CCC (heat data, income received, income outstanding, debt management status)
- Smooth transition when someone moves home
- Refunds processing
- Comply with [Heat Trust Rules](#) and Heat Network billing and metering regulations
- Provision of customer service to assist customers how to pay or understand their bills
- Provide access to flow and return temperatures

Optional:

- Average calculated bills to customers taken by direct debit monthly (based on average usage)
- Provide a customer portal to view consumption and bills
- Enable performance payment if we are in breach of our performance objectives

### Section 3: Supporting information

#### 7. Section A: Questions:

- 7.1. if you feel that your organisation is able to contribute to this exercise, please complete the online questionnaire here: <https://forms.office.com/e/xD4jHxuK0d> by 17.00 on Monday 25<sup>th</sup> September.