



Report of the Director of Environments & Neighbourhoods

Report to Outer West Area Committee

Date: 8 July 2011

Subject: Solar Photovoltaic Panel Scheme

Electoral Wards Affected:

Farnley & Wortley
Pudsey

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Council
Function

Delegated Executive
Function available
for Call In

Delegated Executive
Function not available for
Call in Details set out in the
report

Executive Summary

- 1) The attached briefing note provides full details of the Solar Photovoltaic (PV) Scheme being developed by the Council (see Appendix 1).
- 2) The scheme will install solar PV systems on 5,000 Council owned, ALMO managed homes.
- 3) As well as providing free daytime electricity for tenants the scheme will generate a significant index-linked income to the council for the next 25 years.

1.0 Purpose Of This Report

- 1.1 To provide the Area Committee with details of the solar photovoltaic (PV) panel initiative.

2.0 Background Information

- 2.1 In April 2010 the Government launched a new incentive called 'Feed in Tariffs' (FITs), which are paid for every unit of electricity generated. The most generous payment is for solar photovoltaic's (PV), which currently receives 43.3p per unit, with payments index linked and guaranteed for 25 years. It is likely that the reductions in FIT rates from April 2012 will be larger than the 8.5% indicated to date. The payment of FITs at the highest rate therefore offers the Council a time-limited opportunity to derive

maximum income from PV installations in 2011/12. Appendix 1 provides a briefing note on the Solar PV scheme.

- 2.2 In December 2010, the Council's Executive Board recommended that a partnership be established with Community Energy Solutions CIC (CES) and Empower Community Management to install solar PV systems to 5,000 Council homes.

3.0 Main Issues

- 3.1 The areas within Outer West proposed for inclusion are:

Letting Area	NHO Area*	Ward
Farnley	Greenthorpe	Farnley and Wortley
Heights	Greenthorpe	Farnley and Wortley
Old Farnley-Tong	Greenthorpe	Farnley and Wortley
Swinnow	Pudsey	Pudsey

*includes NHO that may now be closed

- 3.2 Not all properties in each area will be suitable for inclusion. Suitable properties are constrained by a number of factors, including the roof's orientation; pitch; condition; area and level of shading and the condition of the wiring.
- 3.3 There are further constraints imposed by the existing electrical distribution network as care needs to be taken to avoid overloading the network during peak generation times.
- 3.4 In all instances tenants will be required to sign a variation to their Tenancy Agreement to ensure that the relevant legal rights are in place for the solar PV systems to be installed and maintained.
- 3.5 The briefing note attached at Appendix 1 sets out consultation proposals for the scheme. High level consultation with Members, Area Committees and ALMOs will take place around June 2011. Detailed consultation with tenants is planned from June to October 2011. The project manager has confirmed that this will include a presentation to the Pudsey & Swinnow Forum in September / October.

4.0 Implications for Council Policy and Governance

- 4.1 Various members for the area have been consulted and/or involved in the development of the proposals as part of their membership of either the Executive Board or the Climate Change Working Group.
- 4.2 This briefing note forms part of the consultation with Members, Area Committees, ALMOs and BITMO.

5.0 Legal and Resource Implications

- 5.1 A Special Purpose Vehicle (SPV) will be established for the project. The Council's contractual relationship with the SPV will be via a Roof Access Agreement, which is still being negotiated. The SPV will appoint contractors to supply and fit the solar panels and maintain the systems over the 25 year course of the FIT period.
- 5.2 No capital funding is required from the Council. A small amount of revenue is required for project management, publicity etc.

- 5.3 The scheme will generate a significant income stream to the Council, which will be used to finance other energy saving/carbon reduction projects, as agreed by the Executive Board in March 2011.
- 5.4 It will also provide an income stream to a local charitable foundation that is to be established for re-investment in other energy saving/carbon reduction projects.
- 5.5 The scheme will make a considerable contribution to reducing carbon emissions across the city.
- 5.6 It is estimated that the scheme will enable tenants to save c£100 p.a. on their electricity bills, as the systems provide free electricity during daylight hours.

6.0 Conclusions

- 6.1 The scheme will provide significant long-term benefits to Council tenants and the Council. The 'recycling' of revenues generated into other energy saving/carbon reduction projects represents a 'virtuous circle' which will increase these benefits further.

7.0 Recommendations

- 7.1 That Area Committee members note the contents of this report and support the implementation of the project.

Background Papers

LCC Executive Board Report – 15 December 2010

LCC Executive Board Report – 30 March 2011