

**Report of the Director of Environments & Neighbourhoods**

**Report to Inner West Area Committee**

**Date: 13<sup>th</sup> September 2011**

**Subject: Solar Photovoltaic Panel Scheme**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Armley Bramley & Stanningley
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary of main issues**

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.

**Recommendations**

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

## 1 Purpose of this report

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

## 2 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.
- 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 Main issues

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

Letting Area	NHO Area	Ward
Raynvvilles	Bramley	Armley
Wyther	Bramley	Armley
Bramley Town St	Bramley	Armley & Bramley and Stanningley
Moorsides	Bramley	Bramley and Stanningley

- 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 August to September 2011.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 This briefing note forms part of the ongoing consultation with Members, Area Committees, ALMOs and BITMO.
- 4.1.2 Detailed consultation with tenants is planned from August to September 2011, on a letting area by letting area basis, with individual letters to tenants and open days followed by individual tenant liaison.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 A screening process has been undertaken. This concluded that an impact assessment was not required.

### **4.3 Council Policies and City Priorities**

- 4.3.1 This project has a direct impact on Housing & Regeneration Board Strategic Priority 3 – Improve housing conditions and energy efficiency, as it will directly increase the number of properties improved with energy efficiency measures.

### **4.4 Resources and Value for Money**

- 4.4.1 No capital funding is required from the Council. A small amount of revenue is required for project management, publicity etc.
- 4.4.2 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.
- 4.4.3 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.
- 4.4.4 The scheme will make a considerable contribution to reducing carbon emissions across the city.
- 4.4.5 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.

### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 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. This report is not eligible for call in, due to it being a Council function.

### **4.6 Risk Management**

- 4.6.1 Risks are being identified and managed under the Delivering Successful Change methodology and reported to a Project Board.

## **5 Conclusions**

- 5.1 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.

## **6 Recommendations**

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

## **7 Background documents**

LCC Executive Board Report – 15 December 2010

LCC Executive Board Report – 30 March 2011