



DRAFT PORTFOLIO HOLDER DECISION NOTICE

INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR ESTATES

TOPIC - SOLAR PHOTOVOLTAIC INSTALLTION ON CITY OFFICES, COLEBROOK STREET

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council’s Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Head of Legal Services (Interim), the Chief Executive and the Strategic Director: Resources are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

Contact Officers:

Case Officer: Naomi Wise, Tel: 01962 848589 Email: nwise@winchester.gov.uk

Democratic Services Officer: Matthew Watson mwatson@winchester.gov.uk

SUMMARY

- It is proposed that solar-photovoltaics are installed on the roof of City Offices, the planning department have been consulted on the development and criteria for compliance detailed. The proposed project will meet the requirements for being a permitted development (Annex 2).
- The Council is committed to reducing its carbon emissions by 20% by 2020/21 on 2015/16 levels, and has also adopted the “*Twelves Action for a Lower Carbon Council*” in which it states that it will “install solar panels on the Council estate whenever this makes financial sense and the location and structures are suitable.”
- The solar-PV installation will contribute a saving of 7 tonnes of carbon/annum towards the Council’s goal of cutting 929 tonnes carbon/annum by 2020/21. In the most recent carbon audit, the Council had successfully reduced emissions by 443 tonnes when compared to the base year, which equates to a reduction of 9.54%.

- The large carbon reduction projects of the Council's estate have largely been completed (e.g. LED lighting upgrades). The Council therefore needs to consider alternative methods for reducing its carbon footprint; solar-power is one of these.
- City Offices, Colebrook Street is central to the Council's operations and has a high electrical load, especially during daylight hours.
- City Offices also benefits from a large flat roof-area which is suitable for mounting solar-panels.
- It is proposed that an installation of 30 kWp of photovoltaic panels is installed upon the roof of City Offices; this would generate 28,000 kWh per year and a saving of £2,800/annum on electricity purchases alone.
- Project capital costs will be £40,000 with a payback between 7-8 years.
- The estimated revenue of the project is £140,000 over a period of 25 years, generated through savings on electricity costs, and income from exports payments and the Feed in Tariff (FiT)(relative ratio 75:11:14).

DECISION

a) That, in accordance with Financial Procedure Rule 6.4, approval is given to incur expenditure of £40,000 from the remaining City Offices refurbishment budget to enable the installation of photovoltaic panels on the roof of City Offices

b) That approval is delegated to the Corporate Head of Asset Management to appoint contractors following the receipt of quotes for the solar installation works for up to the value of £40,000

c) That the Corporate Head of Asset Management is granted delegated authority to enter into a contract with the lowest priced offer (provided the contractor is able to undertake the works in the required timescale), at or below the value at b) above, based on the evaluation criteria 100% price. Developers anticipate it taking four weeks to start the development upon receipt of the purchase order. If there is a delay, the connection to the grid and the FiT can be applied for in the interim, ensuring the scheme is still eligible.

REASON FOR THE DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

All of the electricity generated by the PV panels will be used on site, providing the Council with green electricity at £0/kWh. This makes for an attractive business case as the Council currently buys electricity from the grid at ~£0.10/kWh. The Feed in Tariff (FiT) has been reduced to £0.04/kWh for exported generated electricity,

therefore using all generated electricity on-site will save the Council £0.10/kWh – selling to the grid would increase the payback period significantly.

An additional benefit of installing a maximum capacity of 30kW, is that the Government assumes for a <30kW installation, a business will export 50% of the generated electricity. If the Council utilises all that is generated, it will still receive a FiT for 50% of the electricity generated (an extra £680/year) – even if it has not been exported to grid. In order to benefit from this, the solar installation must be connected before 31st March 2019, when the FiT is abolished. The payback of the project is anticipated to be 8 years; a detailed breakdown of the project payback can be found in Appendix I.

Progress towards project completion has begun, a grid connection has already been approved and a structural survey completed. There are no other environmental factors of significance to consider for these works, although City Offices does lie within a conversation area. By undertaking these works this will assist in meeting the Sustainable Community aims of the Council Strategy.

If the solar-PV installation needed to be moved to another building, the technology would be transferable subject to an additional installation cost. The technology's lifetime is 25 years.

The option of doing nothing would mean a valuable resource and demonstration of solar-technology and portrayal of WCC's willingness to meet its carbon reduction targets would be missed. The generation of ~28,000kWh of clean energy would not only help the council meet its carbon targets but it will also produce a revenue stream for the council in savings upon electricity bills and from the Government's Feed-in-Tariff

Contractors approached will be assessed on a cost only basis as those that are requested to provide a quotation for the work will have met the quality standards of the solar industry and be members of the Renewable Energy Consumer Code or Renewable Energy Association and will provide products that have been assessed by the Microgeneration Certification Scheme.

RESOURCE IMPLICATIONS:

The contract will be managed by staff in the Asset Management Team with assistance from external consultants. Estates will control the budget and the program to ensure that the project is delivered on time and within the budget. The project cost will be £40,000 and will be financed from the Capital Receipts Reserve. Subject to approval, it is anticipated that installation will begin in November.

The work will be completed in 3 months and will generate savings in electricity of £2,800 per annum, and income of £680/annum in export payments for electricity to the grid and £1,083 from the Feed in Tariff. The annual revenue benefit is anticipated

to be in excess of £4,500 in the first full year. The profit over the project lifetime (25 years) is anticipated to be up to £140,000 (see Appendix 1).

DATA PROTECTION IMPACT ASSESSMENT (If none, state "None required")

None

CONSULTATION UNDERTAKEN ON THE DECISION

The works have been discussed with the Portfolio Holder for Environmental Health Cllr Warwick, The Portfolio Holder for Estates, Cllr Miller, Strategic Director (Resources), Finance Manager (Capital & Treasury) and Corporate Head of Asset Management.

All members are being consulted via the Portfolio older Decision Notice process.

FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE

N/A

DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED

None

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

None

Approved by: (signature)

Date of Decision
10/12/18

Councillor Miller – Portfolio Holder for Estates

PHD 833
Ward(s): St Michael

Appendix 1 – Revenue from Solar-PV installation on City Offices

Array size **29.97kW**
Initial Cost **£40,000**

Year	Electricity £/kWh	FIT £/kWh	FIT £	Export rate £	Export payments £	Output of Panels kWh	Assuming 100%	Assuming 80%	Assuming 100%	Assuming 80%
							use on-site Electricity Savings £	use on-site Electricity Savings £	Revenue Total £	Revenue Total £
1	0.10	0.04	1082.76	0.05	679.84	27692.00	2769.20	2215.36	4531.80	3977.96
2	0.11	0.04	1099.99	0.05	690.66	27581.23	2914.56	2331.65	4705.22	4122.31
3	0.11	0.04	1117.51	0.05	701.66	27470.91	3067.56	2454.05	4886.72	4273.21
4	0.12	0.04	1135.30	0.05	712.83	27361.02	3228.58	2582.87	5076.71	4430.99
5	0.12	0.04	1153.37	0.05	724.18	27251.58	3398.06	2718.45	5275.61	4596.00
6	0.13	0.04	1171.73	0.05	735.70	27142.57	3576.44	2861.15	5483.87	4768.59
7	0.14	0.04	1190.39	0.06	747.42	27034.00	3764.18	3011.34	5701.98	4949.14
8	0.15	0.04	1209.34	0.06	759.32	26925.87	3961.77	3169.42	5930.42	5138.07
9	0.16	0.05	1228.59	0.06	771.40	26818.16	4169.73	3335.79	6169.73	5335.78
10	0.16	0.05	1248.15	0.06	783.68	26710.89	4388.62	3510.89	6420.45	5542.73
11	0.17	0.05	1268.02	0.06	796.16	26604.05	4618.99	3695.19	6683.17	5759.37
12	0.18	0.05	1287.56	0.06	808.43	26484.33	4859.01	3887.21	6955.00	5983.20
13	0.19	0.05	1307.40	0.06	820.89	26365.15	5111.51	4089.21	7239.80	6217.50
14	0.20	0.05	1327.55	0.06	833.54	26246.51	5377.13	4301.70	7538.22	6462.79
15	0.22	0.05	1348.01	0.06	846.38	26128.40	5656.55	4525.24	7850.94	6719.63
16	0.23	0.05	1368.78	0.07	859.43	26010.82	5950.49	4760.39	8178.70	6988.60
17	0.24	0.05	1389.87	0.07	872.67	25893.77	6259.71	5007.77	8522.25	7270.31
18	0.26	0.05	1411.29	0.07	886.12	25777.25	6584.99	5267.99	8882.40	7565.40
19	0.27	0.06	1433.04	0.07	899.77	25661.25	6927.18	5541.74	9259.99	7874.55
20	0.29	0.06	1455.12	0.07	913.64	25545.78	7287.15	5829.72	9655.91	8198.48
21	0.30			0.07	927.72	25430.82	7665.82	6132.66	8593.54	7060.38
22	0.32			0.07	942.01	25316.38	8064.18	6451.34	9006.19	7393.35
23	0.34			0.08	956.53	25202.46	8483.23	6786.58	9439.76	7743.11
24	0.36			0.08	971.27	25089.05	8924.06	7139.25	9895.33	8110.52
25	0.38			0.08	986.24	24976.15	9387.80	7510.24	10374.03	8496.47
Lifetime benefits:									£ 182,257.75	154,978.44
Profit at 25 years:									£ 142,257.75	114,978.44

Inflation 2.00%
Electricity price increase 3.60% above inflation
Initial Fit £ 0.0391
Initial Export £ 0.0491
Initial Elec. Price £ 0.0100
Yearly degraation of panel 0.9960
Useful economic life 25 years

Annex 2

Criteria from the Council's Planning Department for the project to be a Permitted Development (PD)

If the PV panels to be installed generate electricity that exceeds 1 megawatt then they will not be PD.

If the highest part of the PV equipment on the City Offices flat roof would exceed 1 metre above the highest part of the roof (excluding any chimney) they would not be PD.

If the PV equipment would be installed within 1 metre of the external edge of the roof it would not be PD.

We are in the Conservation Area and so if the PV equipment would be installed on a roof slope which fronts a highway it would not be PD.

If the PV equipment would be installed on a building within the curtilage of a listed building it would not be PD.

IF these conditions are satisfied then the PV panels will be permitted development but are then subject to a further condition that before beginning the development the developer must apply to the local planning authority for a determination as to whether the prior approval of the authority will be required as to the design or external appearance of the development, in particular the impact of glare on occupiers of neighbouring land.

IF any of the above conditions are not met then planning permission will be needed.