

**14 February 2013**

**Agenda Item: 13**

## **REPORT OF THE SERVICE DIRECTOR FOR TRANSPORT, PROPERTY AND ENVIRONMENT**

### **INVESTMENT IN PHOTOVOLTAIC PANELS FOR CORPORATE BUILDINGS**

#### **Purpose of the Report**

1. This report outlines the success of the current SunVolt Photovoltaic (PV) panel investment programme, and seeks approval to establish an annual programme of further PV installations across the corporate estate (excluding schools) as a spend to save initiative.

#### **Information and Advice**

2. The Council's SunVolt scheme was approved by Capital Asset Management Group (CAMG) on 12 September 2011, and Cabinet on 7 December 2011 subsequently agreed to invest £800,000 in PVs on the Council's non-school buildings.
3. Cabinet requested that a further report be brought forward 12 months after the installations were complete to review the outcomes from the project, and consider the case for further expansion. This report sets out the business case for a rolling programme of further PV installations.

#### **Analysis**

4. To date around £620,000 of the £800,000 has been invested in over 1,300 panels. In a full year these are expected to generate just under 250,000 kWh of electricity, saving around £15,000 in electricity costs at current prices, and yielding around £55,000 p.a. in Feed in Tariff (Fits) payments. The panels will also save over 100 tonnes of CO<sub>2</sub> p.a. and represent an annual return on investment of around 10%.
5. Attached is a summary business case for further investment in PVs which details the sites undertaken through the original SunVolt project, and the outcomes to date. It should be noted that most of the installations have yet to be in place for 12 months therefore the returns indicated are conservative.
6. The Chairman of the Environment and Sustainability Committee has secured the support of lead Members to the expansion of the programme, and therefore an indicative ongoing annual capital allocation of £250k has been

identified in the County Council budget for 2013-14 to 2016-17. This budget will be considered at the Council meeting on 28 February 2013.

7. It should be noted that the Gas and Electricity Markets Authority (Ofgem) are constantly reviewing the eligibility criteria and rates for FiTs payments, and with the ongoing review of council services and property provision it will be essential for any new PV installations to continue to offer value for money within these changing parameters. Each installation will be subject to an appropriate assessment and a summary of installations undertaken and returns expected/achieved will be reported to Committee on an annual basis

### **Other Options Considered**

8. The do-nothing option has been discounted for the reasons detailed in the report.

### **Reasons for Recommendations**

9. Energy and carbon management is a significant area of spend for the Council, and has a major impact on the environmental and economic well being of the County. It is essential therefore that the County Council continues to invest in appropriate technologies which both maximise income generation opportunities, and minimise the councils costs and environmental impact.

### **Statutory and Policy Implications**

10. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Implications for Service Users**

11. Good energy management and sensible investment can help limit the impacts of the predicted upward trend in energy costs and even yield budget savings, in addition to the environmental benefits accrued from reducing carbon emissions and pollution associated with the use of fossil fuels both of which help ensure the health and wellbeing of service users by minimising the impact on council budgets, and protecting the environment.

### **Recommendation**

12. That Committee recommend to Council that the £250k annual investment in Photovoltaic panels identified in the County Council budget for the period 2013-14 to 2016-17 be approved.

**Mick Allen**

## **Group Manager, Waste and Energy Management**

For any enquiries about this report please contact:  
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## **Constitutional Comments**

13. Environment and Sustainability Committee has authority to note the report and approve the recommendation set out in this report by virtue of its terms of reference. (NAB 5.2.13)

## **Financial Comments**

14. The financial implications are set out in paragraphs 4 and 6 of the report. (TMR 5.02.13)

## **Background Papers**

15. Report to Cabinet dated 7 December 2011 entitled The Sun Volt Programme

## **Electoral Divisions**

All