

County Council

10 March 2016

Solar Photovoltaic (PV) Project

Recommendations / key decisions required:

County Council is asked to:

1. Note the issues that affected the original scheme and the change in focus since the last report
2. Agree that the scheme be funded as part of the Capital Programme
3. Appoint the appropriate Executive Board Member to the board of the Community Benefit Society

Reasons:

To implement the approved solar project

| | |
|------------------------------|-----|
| Exec Board Decision Required | NO |
| Council Decision Required | YES |

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr David Jenkins

| | | |
|--|---|--|
| Directorate: Corporate Services | | Tel Nos / E Mail Addresses: |
| Name of Head of Service: Jonathan Fearn | Designations: Head of Corporate Property | 01267 246244 jfean@sirgar.gov.uk |
| Report Authors: Kendal Davies / Stephen Morgan | Sustainable Development Manager / Strategic Asset Manager | 01267 228351 jkdavies@sirgar.gov.uk 01267 246247 smmorgan@sirgar.gov.uk |

County Council

10 March 2016

Executive Summary

Solar Photovoltaic (PV) Project

Introduction

The Executive Board unanimously resolved on 27th July 2015

- 1) To note the proposed structure for delivery of the project;
- 2) That a Community Benefit Society (CBS) be set up with the Council acting as Custodian Trustee;
- 3) To agree, subject to further consultation, that the Community Benefit Society be initially given that name;
- 4) The issue as to whether the Council should invest directly in the CBS or the opportunity offered for public subscription be considered in due course.

The attached report provides a brief summary of the process followed since the Executive Board's decision, including the procurement of PV panels; the focus on the non housing portfolio and the setting up of the CBS.

The report now considers the funding for the scheme and provides an indicative programme for the project should the Council resolve to invest in the works. In addition, having formed the CBS: Egni Sir Gar, the Council now has a permanent board position as the Custodian Trustee. The Council is required to be represented in this capacity on the Society's board and an appropriate member needs to be nominated.

Recommendations

1. That the Council funds the scheme as part of the Capital Programme.
2. That the Council appoints the appropriate Executive Board Member to the board of the Community Benefit Society, Egni Sir Gar.

DETAILED REPORT ATTACHED ?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Jonathan Fearn, Head of Corporate Property

| Policy, Crime & Disorder and Equalities | Legal | Finance | ICT | Risk Management Issues | Staffing Implications | Physical Assets |
|---|-------|---------|------|------------------------|-----------------------|-----------------|
| YES | YES | YES | NONE | YES | NONE | YES |

1. Policy, Crime & Disorder and Equalities

To be evaluated when preparing the further detailed project development plans

2. Legal

The Council has a permanent board position on the CBS and is required to be represented in this capacity on the Board. Council needs to consider appointing an appropriate member accordingly.

A Lease is to be agreed for the installation of the solar panels to Council properties and a property occupier agreement where assets are occupied by third parties.

3. Finance

The total project cost of the scheme currently stands at £1.5m. This could reduce, however, depending on the results of the technical surveys and the agreement of the property occupiers. If excessive additional work to a property is identified by the survey, that particular property will be excluded from the scheme.

The funding is proposed to be made available by Carmarthenshire County Council (CCC) as borrowing in the capital programme. An investment of £1.5m will result in the following:

- Surplus cash flow of £460,000 (after borrowing costs), equal to 28.7% of the initial outlay at the end of the 20 years, split between the CBS and CCC
- The payback period is anticipated to be in year 12
- Electricity savings are projected to be approximately £1.5m over 20 years (Net Present Value of £843,000), split as follows:
 - Free electricity for properties under 30kw (deemed export) - £873,000
 - Cheaper electricity for properties 30kw and over (governed by Power Purchase Agreements) - £641,000

At the end of the proposed 20 year lease, the ownership of the equipment will transfer to the Council for £1.

4. Risk Management Issues

To be evaluated when preparing the further detailed project development plans. Appropriate construction risk assessments and maintenance arrangements will be required to be undertaken to each property before works are commenced.

5. Physical Assets

The proposed installations would enhance the value of the property but some roofs may require additional strengthening to accommodate the panels. Suitability and selection of properties to benefit from the installations will evaluate this issue.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed:

Jonathan Fearn

Head of Corporate Property

1. Scrutiny Committee - not applicable

2. Local Member(s) - not applicable

3. Community / Town Council - not applicable

4. Relevant Partners - Tenants and Governing Bodies to be consulted prior to structural surveys

5. Staff Side Representatives and other Organisations - not applicable

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE