Executive Board
26th July 2016

Solar Photovoltaic (PV) Project

Recommendations / key decisions required:

1. Agree that Carmarthenshire County Council (CCC) purchases shares in Egni Sir Gâr to the value of the final investment (maximum £1.5m)

Reasons:

To implement the approved solar project

Relevant Scrutiny Committee to be consulted N/A

Exec Board Decision Required YES

Council Decision Required NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr David Jenkins

Directorate: Corporate Services		**Tel Nos / E Mail Addresses:**
Name of Head of Service: Chris Moore	**Designations**: Director of Corporate Services	01267 224160 CMoore@sirgar.gov.uk
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Executive Board
26th July 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 CBS be initially given the name Egni Sir Gâr;

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.

An additional report went to County Council on 10th March 2016 and it was agreed that the scheme be funded as part of the Capital Programme and an Executive Board Member was appointed to the Board of Egni Sir Gâr.

Although it has been agreed that the Council should invest directly in Egni Si Gâr, up to a maximum of £1.5m, there is no authority for CCC to purchase shares in Egni Si Gâr.

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: **Chris Moore, Director of Corporate Services**

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.

A Share Purchase Agreement is to be set up between CCC and Egni Si Gâr

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: **Chris Moore** **Director of Corporate Services**

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