

WEST OXFORDSHIRE DISTRICT COUNCIL
FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE
WEDNESDAY, 3RD DECEMBER 2014

SOLAR PV GENERATION ON ROOFSACES
REPORT OF FRANK WILSON, STRATEGIC DIRECTOR
(Contact: Frank Wilson: - Tel (01993) 861291)

I. PURPOSE

As part of Work Programme the Committee expressed a desire to consider how the Council might use its roof spaces to generate energy via Solar PV cells to further enhance its approach to asset management.

2. RECOMMENDATION

That the Committee considers the potential for future Solar PV applications on roof spaces.

3. BACKGROUND

- 3.1. At its meeting on 23rd July 2014 the Committee added an item onto its work programme in respect of investigating the viability of further improvement in its asset management via investment in Solar PV on its roofspaces.
- 3.2. Officers conducted some initial investigations and identified that Peterborough City Council has spent some considerable time and effort in investigating, procuring and implementing a range of Solar PV installations on municipal assets.
- 3.3. Of particular benefit to this Council is the fact that as part of the procurement process Peterborough City Council made available a framework contract to all other Councils which significantly reduces the cost of the procurement process and delivers enhanced value to a Council such as West Oxfordshire.
- 3.4. Given that the Council does not have housing stock upon which to place generating equipment the potential breadth of any Solar PV application may be limited for the Council however, should a robust business case be forthcoming, the Council could become an enabling partner with RSL's such as Cottsway to deliver schemes.
- 3.5. Peterborough City Council and their commercial partner, Mears Group, have kindly offered to come and talk to the Committee on the costs and benefits of Solar PV and will run through a presentation for Councillors and then deal with any questions.
- 3.6. To give some local meaning to the presentation they have also had a look at one of our properties and carried out a high level appraisal of the business case from a desktop level. I would add that this has not involved any site surveys or detailed analysis of the roof design. Attached at Appendix A is a summary of their findings but members must treat this with some caution as it is intended to be an example of the potential costs and benefits rather than a detailed analysis.

4. FINANCIAL IMPLICATIONS

- 4.1. Should there be a robust business case for generation of Solar PV on Council assets then a programme would need to be designed to ensure that the assets have suitable life remaining and that the Council intended to maintain ownership for an appropriate period. A bid for capital resources will need to be made to Council.
- 4.2. The property chosen for presentation purposes is Carterton Leisure Centre and this produces a return on investment of 10.5% per annum (after full depreciation of equipment) based upon an investment of £155,000.
- 4.3. The total value of the energy saving over a 20 year life cycle is £480,000 but this assumes an increase in energy prices of 7% per annum compared to RPI of 2.6%. As part of any detailed business case appraisal consideration of some sensitivity analysis around these inflation rates would be required.
- 4.4. Other financing options are available for the Council which could be considered should the Council want to look in more detail at this programme.

Frank Wilson
Strategic Director

Date: 24th November 2014