

**WEST OXFORDSHIRE DISTRICT COUNCIL**  
**FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE**  
**WEDNESDAY, 4TH FEBRUARY 2015**

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

**1. 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 3<sup>rd</sup> December 2014 the Committee received a presentation from Peterborough City Council and the Mears Group in respect of investigating the viability of further improvement in its asset management via investment in Solar PV on its roof spaces.
- 3.2. 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.
- 3.3. At the meeting the committee requested that officers investigate the full scope for solar PV across the assets of the Council. Further desktop studies were conducted by Mears Group covering all suitable assets.
- 3.4. The table attached at Appendix A sets out the potential scope for a wider solar PV programme on Council assets and the committee is asked to consider the scope and whether it wishes to make any recommendations to Cabinet.
- 3.5. As expected the Leisure Centres and major industrial units form the bulk of the savings however in proportionate terms other facilities offer equivalent returns for smaller scale investments.
- 3.6. As part of the terms of business with Peterborough City Council the Council has been asked to sign a non-disclosure agreement with them to protect their business interests. This has been reviewed by the legal team and appears satisfactory.
- 3.7. Officers would like to do a little more work with regard to the sensitivity of the business case to the energy market (including potential energy prices and feed in tariffs) and would not propose a wholesale investment in solar PV at this time but consider some proof of concept investment may be worthwhile.
- 3.8. To progress a business case to the next stage the Council will need to pay the £5,000 access fee to Peterborough City Council to access the framework contract and as part of this a detailed site survey will be conducted to confirm the business case.

3.9. The committee's view is sought on :-

- (a) whether Cabinet should be recommended to access the framework contract at a fee of £5,000;
- (b) which, if any, of the installations should be progressed to full business case.

#### **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 total value of the energy saving over a 20 year life cycle is £2.1m but this assumes an increase in energy prices of 7% per annum compared to current RPI of 1.5%. As part of any detailed business case appraisal consideration of some sensitivity analysis around these inflation rates would be required.
- 4.3. Capital works of almost £0.75m would be required to achieve these savings with a return on capital employed of around 10% per annum.
- 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.

Background Papers:

None

Frank Wilson

Strategic Director

Date: 26th January 2015

## Appendix A

Client	Site	Size (Kw)	Co2 Savings	Cost	Income	Maintenance	Net Profit
<b>Proposal Request</b>							
West Oxfordshire District Council	Woodgreen Council Offices	15	117.27	£ 22,500.00	£ 68,674.69	£ 2,820.92	£ 43,353.77
West Oxfordshire District Council	Town Centre Shop	2	15.64	£ 3,000.00	£ 10,030.68	£ 1,120.02	£ 5,910.66
West Oxfordshire District Council	Windrush Leisure Centre	131	1,026.14	£ 196,875.00	£ 564,690.09	£ 7,583.43	£ 360,231.66
West Oxfordshire District Council	Carterton Leisure Centre	100	781.82	£ 155,000.00	£ 480,494.91	£ 7,583.43	£ 317,911.48
West Oxfordshire District Council	Carterton Sports Pavillion	36	283.41	£ 54,375.00	£ 165,963.84	£ 4,862.00	£ 106,726.84
West Oxfordshire District Council	Talisman Business Park	189	1,477.64	£ 283,500.00	£ 796,025.03	£ 7,583.43	£ 504,941.60
West Oxfordshire District Council	Witney Artificial Pitch	12	93.82	£ 18,000.00	£ 54,939.75	£ 2,820.92	£ 34,118.83
		<b>486</b>	<b>3,795.74</b>	<b>£ 733,250.00</b>	<b>£ 2,140,818.99</b>	<b>£ 34,374.15</b>	<b>£ 1,373,194.84</b>