
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 OCTOBER 2011

EX.130/11 SUSTAINABLE ENERGY PROJECT AT CIVIC CENTRE, CARLISLE (Key Decision)

(With the consent of the Chairman, and in accordance with Rule 15 of the Access to Information Procedure Rules, this item was included on the Agenda as a Key Decision, although not in the Forward Plan)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Environment and Housing

Subject Matter

Pursuant to Minute EX.087/11, the Assistant Director (Resources) submitted a joint report with the Assistant Director (Local Environment) (LE.26/11) concerning a sustainable energy project at the Civic Centre, Carlisle.

The Assistant Director (Resources) reminded Members that they had on 26 July 2011, considered and approved report LE.12/11 proposing various options for investment in renewable energy including solar photo voltaic modules, the criteria for approval being a return on investment of at least 9%. He added that a specialist renewable energy and climate change consultant had visited the Civic Centre earlier in the year and delivered a presentation to Officers on how Councils could take advantage of the Feed-in-Tariff. Capita Symonds were then appointed to undertake a feasibility study for the City Council. The principle of sustainable energy projects had also been discussed and supported by the Environment and Economy Overview and Scrutiny Panel,

The feasibility study on the Civic Centre indicated that a solar PV array of 25kWp could be accommodated on the roof and would provide a return of 9% on investment from the Government's feed in tariff and the generation of electricity on site.

It should be noted that unfortunately further studies of Council owned buildings, but let to partner organisations, did not give the required rate of return on the Council's capital investment unless all (or most) of the feed in tariffs and electricity offset value (NPV and IRR) were retained by the Council. Discussions would, however, be held with Carlisle Leisure Ltd to establish whether a joint scheme could be progressed. Other Council buildings did not give the required rate of return.

The Assistant Director (Resources) then outlined details of additional issues which required to be borne in mind, including roof assessments and timing issues, together with the implications thereof.

In conclusion, he reported that the assessments and supporting financial assessment clearly supported the installation of the Solar PV panels on the Civic Centre Octagon roof and suggested that option be progressed as a matter of urgency to meet the tight installation deadline. With regard to Carlisle Leisure Ltd, he set out details of a joint option with both partners providing some of the capital investment required to enable Carlisle Leisure to benefit from the off set tariff, whilst the Council maintained its required return on investment.

The Environment and Economy Overview and Scrutiny Panel had on 28 July 2011 (EEOSP.47/11) considered the Sustainable Energy Strategy and resolved:

"1) That Report LE.18/11 be noted and the recommendations as set out in the report approved.

2) That a further report be brought back to the Panel when the feasibility study had been completed on condition that that did not delay the project."

The Chairman of the Environment and Economy Overview and Scrutiny Panel explained that the Panel had considered the full Sustainable Energy Strategy and were particularly keen that some water schemes were considered e.g. the Holme Head Bay Scheme. Members were aware of the tight timescales and, whilst they welcomed progress with regard to the Civic Centre and Sands Centre, hoped that water initiatives would not be shelved completely.

The Environment and Housing Portfolio Holder welcomed the very full and good debate undertaken by the Panel. He reiterated that unfortunately it was not opportune to progress a number of the schemes for the reasons referred to at the current time. In conclusion, the Portfolio Holder moved the recommendations detailed within the report and thanked the Environment and Economy Overview and Scrutiny Panel for their support and assistance throughout the process.

Summary of options rejected Other options detailed in Report LE.26/11 – Sustainable Energy Project at Civic Centre, Carlisle

DECISION

That the Executive:

1. Had considered the feasibility assessments of the viability of Solar PV installations to various Council buildings and determined that the Civic Centre and the Sands Centre met the criteria to have such an installation.

2. Subject to recommendation 3., approved installation of Solar PV at the sites identified at recommendation 1. above, subject to the required agreements, planning permissions and consents.
3. Recommended to full Council that the release of capital funding from the receipts of the sales identified in the Asset Business Plan to fund the installations up to a maximum of £200,000 be approved.
4. Delegated authority to the Assistant Director (Resources) in consultation with the Executive Member for Resources and Executive Member for Local Environment and Housing, to tender the work (which, for the avoidance of doubt, may include any design, build and installation work) and award the tender to the most economically advantageous bidder.
5. Delegated authority to the Assistant Director (Resources) in consultation with the Executive Member for Resources and Executive Member for Local Environment to stop any particular installation project should it become apparent that the required timescales or returns would not be achieved.

Reasons for Decision

The feasibility studies demonstrated that the recommended sites would achieve the required return on investment of at least 9% as set out in the asset business case and was an investment opportunity which would not be available to the same extent after 31 March 2012.

The Project was time constrained and therefore delegations of authority were required to progress the project without delay within the deadline of 31 March 2012.

The project would contribute to the Council's sustainability use of energy and would help to mitigate the impact of rising energy costs for the Council.

The project would help to meet the Council's targets for the reduction of carbon dioxide emissions and climate change (25% reduction over five years).