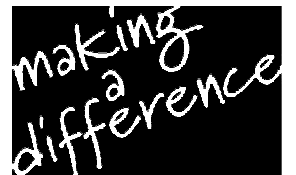


additional papers 1

Executive Committee

Tuesday 15th November
2011
7.00 pm

Committee Room 2
Town Hall
Redditch



www.redditchbc.gov.uk

Access to Information - Your Rights

The Local Government (Access to Information) Act 1985 widened the rights of press and public to attend Local Authority meetings and to see certain documents. Recently the Freedom of Information Act 2000, has further broadened these rights, and limited exemptions under the 1985 Act.

Your main rights are set out below:-

- Automatic right to attend all Council and Committee meetings unless the business would disclose confidential or “exempt” information.
- Automatic right to inspect agenda and public reports at least five days before the date of the meeting.
- Automatic right to inspect minutes of the Council and its Committees (or summaries of business undertaken in private) for up to six years following a meeting.
- Automatic right to inspect lists of background papers used in the preparation of public reports.
- Access, upon request, to the background papers on which reports are based for a period of up to four years from the date of the meeting.
- Access to a public register stating the names and addresses and electoral areas of all Councillors with details of the membership of all Committees etc.
- A reasonable number of copies of agenda and reports relating to items to be considered in public must be made available to the public attending meetings of the Council and its Committees etc.
- Access to a list specifying those powers which the Council has delegated to its Officers indicating also the titles of the Officers concerned.
- Access to a summary of the rights of the public to attend meetings of the Council and its Committees etc. and to inspect and copy documents.
- In addition, the public now has a right to be present when the Council determines “Key Decisions” unless the business would disclose confidential or “exempt” information.
- Unless otherwise stated, all items of business before the Executive Committee are Key Decisions.
- (Copies of Agenda Lists are published in advance of the meetings on the Council’s Website:
www.redditchbc.gov.uk

**If you have any queries on this Agenda or any of the decisions taken or wish to exercise any of the above rights of access to information, please contact
Ivor Westmore
Committee Support Services**

**Town Hall, Walter Stranz Square, Redditch, B98 8AH
Tel: 01527 64252 (Extn. 3269) Fax: (01527) 65216
e.mail: ivor.westmore@bromsgroveandredditch.gov.uk Minicom: 595528**

Welcome to today's meeting.

Guidance for the Public

Agenda Papers

The **Agenda List** at the front of the Agenda summarises the issues to be discussed and is followed by the Officers' full supporting **Reports**.

Chair

The Chair is responsible for the proper conduct of the meeting. Generally to one side of the Chair is the Committee Support Officer who gives advice on the proper conduct of the meeting and ensures that the debate and the decisions are properly recorded. On the Chair's other side are the relevant Council Officers. The Councillors ("Members") of the Committee occupy the remaining seats around the table.

Running Order

Items will normally be taken in the order printed but, in particular circumstances, the Chair may agree to vary the order.

Refreshments : tea, coffee and water are normally available at meetings - please serve yourself.

Decisions

Decisions at the meeting will be taken by the **Councillors** who are the democratically elected representatives. They are advised by **Officers** who are paid professionals and do not have a vote.

Members of the Public

Members of the public may, by prior arrangement, speak at meetings of the Council or its Committees. Specific procedures exist for Appeals Hearings or for meetings involving Licence or Planning Applications. For further information on this point, please speak to the Committee Support Officer.

Special Arrangements

If you have any particular needs, please contact the Committee Support Officer.

Infra-red devices for the hearing impaired are available on request at the meeting. Other facilities may require prior arrangement.

Further Information

If you require any further information, please contact the Committee Support Officer (see foot of page opposite).

Fire/ Emergency instructions

If the alarm is sounded, please leave the building by the nearest available exit – these are clearly indicated within all the Committee Rooms.

If you discover a fire, inform a member of staff or operate the nearest alarm call point (wall mounted red rectangular box). In the event of the fire alarm sounding, leave the building immediately following the fire exit signs. Officers have been appointed with responsibility to ensure that all visitors are escorted from the building.

Do Not stop to collect personal belongings.

Do Not use lifts.

Do Not re-enter the building until told to do so.

The emergency Assembly Area is on Walter Stranz Square.

Declaration of Interests: Guidance for Councillors

DO I HAVE A "PERSONAL INTEREST" ?

- Where the item relates or is likely to affect your **registered interests** (what you have declared on the formal Register of Interests)

OR

- Where a decision in relation to the item might reasonably be regarded as affecting **your own** well-being or financial position, or that of your **family**, or your **close associates** more than most other people affected by the issue,

you have a personal interest.

WHAT MUST I DO? **Declare the existence, and nature, of your interest and stay**

- The declaration must relate to specific business being decided - a general scattergun approach is not needed
- **Exception** - where interest arises only because of your membership of another **public body**, there is no need to declare unless you **speak** on the matter.
- You **can vote** on the matter.

IS IT A "PREJUDICIAL INTEREST" ?

In general only if:-

- It is a personal interest **and**
- The item affects your **financial position** (or conveys other benefits), or the position of your **family, close associates** or bodies through which you have a **registered interest** (or relates to the exercise of **regulatory functions** in relation to these groups)

and

- A member of public, with knowledge of the relevant facts, would reasonably believe the interest was likely to **prejudice** your judgement of the public interest.

WHAT MUST I DO? **Declare and Withdraw**

BUT you may make representations to the meeting before withdrawing, **if** the public have similar rights (such as the right to speak at Planning Committee).



Executive

Committee

15th November 2011

7.00 pm

Committee Room 2 Town Hall

**10. Solar Panels –
Government
Consultation**

(Pages 148 - 155)

Chief Executive

To consider the implications of a Government consultation on fast-tracking changes to the current solar photo voltaic (PV) feed-in tariff scheme.

(Report attached)

(All Wards)

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SOLAR PANELS – GOVERNMENT CONSULTATION

Relevant Portfolio Holder	Cllr Brandon Clayton, Portfolio Holder for Housing, Local Environment & Health
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks, Chief Executive
Wards Affected	All
Ward Councillors Consulted	Not Applicable
Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 The Government is consulting on fast-tracking changes to the current solar photo voltaic (PV) feed-in tariff scheme – essentially reducing the tariff Officers were expecting by 50% therefore doubling the payback time. The proposed new tariff is 21 pence per kWh generated to be paid from 11th December 2011. Permission for the proposed solar PV scheme was based on a tariff sum of 34.1 pence per kWh generated.
- 1.2 The Government is also planning to introduce a new multi-installation tariff rate (for which Redditch Borough Council would qualify) from April 2012, further increasing the urgency of installing the schemes before 31st March 2012. Depending on the site, the relevant tariff ranges between 16.8 pence/kWh – 12.2p/kWh. In addition, from April 2012, any building applying for the feed in tariff will have to be energy efficiency rated C or above. The Town Hall is E; the Palace Theatre is B, we do not currently measure the Crematorium but it would not perform well based on the EPC system There would be further cost implications to bring the buildings up to a C rating.

Table 1: Summary of tariff (pence per kWh generated) possibilities per site

Site	Likely system size* (maximum)	Old tariff (actual index linked figure)	Proposed reduced tariff (from 12th December 2011?)	Proposed aggregated tariff (April 2012?)
Town Hall	<49kWp	31.4 (32.9)	15.2	12.2
Palace Theatre	<10kWp	31.4 (37.8)	16.8	13.4
Crematorium	<10kWp	31.4 (37.8)	16.8	13.4
Various Housing Schemes**	Mainly <10kWp	31.4 (37.8)	16.8	13.4
Various Housing Schemes**	some potential for <4kWp	41.3 (43.3)	21	16.8

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** Officers cannot estimate income for the housing sites as this depends on which sites are chosen.

2. RECOMMENDATIONS

The Committee is asked to RESOLVE that

- 1) authority be delegated to the Climate Change Manager, in consultation with the Portfolio Holder for Health and Housing, to respond to the consultation based on the Committee's comments; and,

taking into account the revised financial projections as detailed in Appendices 1- 3 to the report,
- 2) the Council proceed in accordance with existing approvals for the installation of solar panels at the three main sites identified (Town Hall, Palace Theatre and Crematorium);
- 3) the Council proceed in accordance with the existing approvals for social housing projects, although acknowledging that further delay may result in fewer sites being completed by 31st March 2012; and
- 4) Officers be instructed to continue to prioritise installation of solar panels at the four main sheltered schemes.

3. KEY ISSUES**Financial Implications**

- 3.1 The Council pulled out of the original agreement to procure solar panels through the original intended route.
- 3.2 Officers then asked for expressions of interest from nineteen companies listed on the Yorkshire Procurement Group, but only received one positive response. However this is probably due to the uncertainty in the market (the closing date was the same as when the Government announced their proposed changes).
- 3.3 Officers can also try again with Birmingham Energysavers purchasing framework, although uncertainty within the industry and market is likely to remain a big problem for the Council as providing quotes when the future is uncertain and problematic, and some companies may not be sustainable now.

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- 3.4 Market testing based on the original procurement exercise has allowed more clarification on the financial projections.
- 3.5 However, because demand has rapidly increased following the announcements, contractors' prices started to rise and it is impossible to predict what will happen to the market moving forward, these figures will be based on the initial procurement exercise, although should be considered with some caution.

Legal Implications

- 3.6 The feed-in tariff is a statutory Scheme but this does not preclude the Government from amending its provisions, which is what it proposes to do.
- 3.7 The consultation closes on 23rd December and a final response should be available in mid-late January 2012. Despite this, the proposed reference date (implementation date) for changes is 12th December 2011.
- 3.8 The Government's decision could be challenged by an application to the High Court for a Judicial Review. However, there is no indication that any of the stakeholders is considering launching a legal challenge to the decision.

Service / Operational Implications

- 3.9 Installation and generation of power is not possible before 12th December 2011.
- 3.10 If the Council continues along its proposed path with urgency, although the timescale is increasingly tight, it should be possible to install the schemes by 31st March 2012 as planned, subject to no procurement barriers arising.
- 3.11 Any further delay at this stage puts the scheme at severe risk of non-completion.
- 3.12 Even if the tariff is reduced by 50%, the arguments originally put forward for the original decision to invest in solar PV both to reduce carbon emissions and to reduce our vulnerability to rising electricity costs remain.

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Customer / Equalities and Diversity Implications

- 3.13 There has been significant publicity about this scheme and the Council may risk reputational damage if it pulls out now, especially on the social housing scheme. However, there is no way that the Council could have anticipated this happening.

4. RISK MANAGEMENT

- 4.1 In such a fast changing policy environment and consequent unpredictability of how the market will respond, the Council can only respond reactively.
- 4.2 It is unclear how the consultation will conclude – there is significant opposition from both the public and private sector as to the severity of a 6 week timescale to complete planned projects and the Government may decide that the original date for significantly reducing the tariff should remain fixed at 1st April 2012.

5. APPENDICES

Appendix 1 – Original scheme finance details*

Appendix 2 – Scheme finance details if the 12th December date is agreed*

Appendix 3 – Scheme finance details if installations are not completed before 31st March 2012*

6. BACKGROUND PAPERS

Government Consultation Document (Department for Energy and Climate Change)

Previous published Council reports and minutes.

AUTHOR OF REPORT

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Tel: 01527 64252 x3046

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Appendix 1 – Original scheme finance details / expected income*

Site	Likely system size* (maximum)	Expected annual generation yield (kWh)	Annual income from tariff (31.4p)	Fuel bill savings per year (assume 70% used)	Total income and savings per year	Payback time (years)	Total profit after 25 yrs once paid back capital
Town Hall	<49kWp	43,000	13,502	2,709	16,211	6.97	292,284
Palace Theatre	<10kWp	8,000	2,512	504	3,016	9.61	46,416
Crematorium	<10kWp	8,000	2,512	504	3,016	9.28	47,411
Total	c. 70 kWp	59,000	18,526	3,717	22,243	Av. 8.62	£386,111

This provides a rate of return on the investment of 12%.

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**Appendix 2 – Scheme finance details if the 12th December date is
agreed and installation is completed before 31st March
2012**

Site	Likely system size* (maximum)	Expected annual generation yield (kWh)	Annual income from tariff	Fuel bill savings per year	Total income and savings per year	Payback time (years)	Total profit after 25 yrs once capital paid back
Town Hall	<49kWp	43,000	(15.2p) 6,536	2,709	9,245	12.2	118,336
Palace Theatre	<10kWp	8,000	(16.8p) 1,344	504	1,848	15.69	17,204
Crematorium	<10kWp	8,000	(16.8p) 1,344	504	1,848	15.15	18,202
Total	c. 70 kWp	59,000	9,244	3,717	12,941	Av.14.34	£153,742

This provides a rate of return on the investment of 6%.

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**Appendix 3 – Scheme finance details if Installations are not completed
before 31st March 2012* (aggregation)**

Site	Likely system size* (maximum)	Expected annual generation yield (kWh)	Annual income from tariff	Fuel bill savings per year	Total income and savings per year	Payback time (years)	Total profit after 25 years once capital paid back
Town Hall	<49kWp	43,000	(12.2) 5,246	2,709	7,955	14.20	85,914
Palace Theatre	<10kWp	8,000	(13.4) 1,072	504	1,576	18.40	10,401
Crematorium	<10kWp	8,000	(13.4) 1,072	504	1,576	17.76	11,410
Total	c. 70 kWp	59,000	7,390	3,717	11,107	Av.16.78	£107,725

This provides a rate of return on the investment of 4%.

Assumptions

Fuel bill savings are based on our current cost of 9p/kWh bought.

For simplicity, factors that work in our favour and will reduce payback times and slightly increase income (the fact that the tariff is index linked, potential increases in fuel inflation costs and any energy exported back to the grid at 3p/kWh) have been ignored for the purpose of these calculations.

For simplicity, factors that may offset this such as interest paid on the loan, and small maintenance budgets have also been ignored.

Assumes 70% of energy is used on site (Monday-Friday).

These figures are based on this pricing split:

Town Hall - £113,000

Palace Theatre – £29,000

Crematorium - £28,000

*As per the previous report on this scheme, the final system size and location is subject to detailed survey by the winning contractor and therefore these figures are only indicative.

