

## EXECUTIVE BOARD - 18 MARCH 2014

<b>Subject:</b>	Expanding the installation programme of solar panels on commercial sites in Nottingham		
<b>Corporate Director(s)/ Director(s):</b>	John Kelly, Corporate Director for Communities Andy Vaughan, Director of Neighbourhood Services		
<b>Portfolio Holder(s):</b>	Councillor Alan Clark, Portfolio Holder for Energy and Sustainability		
<b>Report author and contact details:</b>	David Williams, Energy Infrastructure Manager <a href="mailto:David.williams@nottinghamcity.gov.uk">David.williams@nottinghamcity.gov.uk</a> 0115 8765651		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input checked="" type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total value of the decision:</b> See exempt appendix			
<b>Wards affected:</b> Dunkirk and Lenton, Dales	<b>Date of consultation with Portfolio Holder(s):</b> 10 March 2014		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input checked="" type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The City Council has already installed solar panels to over 3000 domestic properties, achieving savings on householders' energy bills as well as delivering a financial return on the City Council's capital investment. The Council has, more recently, also installed solar panels on a number of the Council's commercial premises, with the UK's largest solar panel installation being on the Tennis Centre.</p> <p>This report recommends this solar panel installation programme is extended further, to a number of additional commercial sites and specifically proposes the installation of a solar panel canopy on the city's Queen's Drive Park and Ride sites. This will be the UK's largest solar photovoltaic (PV) canopy system. Where site specific business cases identify sites that are not wholly owned by the Council it should be noted that these shall be delivered by Enviroenergy, a subsidiary of the Council and the approval process shall follow the governance arrangements of that company.</p> <p>The report seeks approval to complement the Council's commercial programme. Whilst a final delivery model may vary from site to site with delivery options being presented as part of a final business case to the Director of Neighbourhood Services for approval in consultation with the Portfolio Holder for Energy and Sustainability, the preferred delivery model will seek to maximise the Neighbourhood Services in-house Teams, utilising Neighbourhood Services technical resources.</p>			

Once installed the proposed Solar PV installation at Queens Drive (up to 1.0MWp) shall be the largest urban solar park array in the UK, generating approximately 1.0GWh annually of renewable electricity and would offset 600 tonnes CO<sub>2</sub> per annum.

Investment in Solar PV infrastructure has been made possible by the Government's Feed in Tariff (FIT) scheme and this will provide a financial benefit to the City Council.

Furthermore, delivery of this programme supports the creation of local jobs and training opportunities and stimulates the local economy. This will be demonstrated through skilling up in-house teams, including the recent intake of 50 apprentices.

**Exempt information:**

An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it may offer a competitive advantage to companies tendering for future Council contracts.

**Recommendation(s):**

- 1** To approve provision in the capital programme for these schemes as described in the body of this report and outlined in the exempt appendix and delegate authority to the Director of Neighbourhood Services, in consultation with the Portfolio Holder for Energy and Sustainability to utilise funds from the capital programme for the production of the final business case.
- 2** To approve that the delivery of construction works will be through the Council's in-house teams, and through the established Highway Framework for specialist activities and delegate authority to the Director of Neighbourhood Services, in consultation with the Portfolio Holder for Energy and Sustainability to commence procurement processes and award contracts.
- 3** To approve the procurement of Solar PV solutions through a compliant route as outlined in site specific business cases, and to delegate authority to the Director of Neighbourhood Services, in consultation with the Director of Legal and Democratic Services, the Portfolio Holder for Energy and Sustainability and the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration, to commence the procurement processes and award contracts.

## **1 REASONS FOR RECOMMENDATIONS**

### 1.1 The advantages of recommendation 1 and 3:

- it supports the Council's Plan to reduce the City Councils carbon emissions by 31% by 2020 and forms part of the Council's carbon management plan;
- it will help to realise the targets set out in the Energy Strategy – 20% of the City's own energy generated from low or zero carbon sources and a 26% reduction of carbon dioxide emissions against 2005 levels;
- it has been designed to take advantage of the FIT, electricity cost savings and export tariff revenue and will generate a long term revenue stream for the Council;
- it will be a regional statement for Nottingham's ambitions. The chosen site is at a key gateway location to the City, adjacent to the A52 and the River Trent and will be seen by 81,000 motorists and bus users per day. Once installed the proposed Solar PV installation (c. 1.0MWp) shall be the largest urban solar park array in the UK, generating approximately

1.3GWh annually of renewable electricity which would offset 741 tonnes CO<sub>2</sub> per annum;

- it will help to reduce the City Council's dependency on fossil fuels, reduce utility costs and contribute to energy security;
- it will work in partnership with Public Transport's electric bus project, providing up to 50% of the buses fuel requirements on site. The park and ride sites will have electric charging points where the new electric bus fleet can quickly charge during the day, the solar panel installation shall be connected to these charging points and shall provide locally generated, renewable electricity to the fleet;
- it will help develop a template to delivery for these types of schemes that the City Council can utilise for future programmes enabling growth and further contributing to the commercialisation agenda;
- other indirect benefits include: additional shading and shelter from rain for improved comfort for 480,000 park and ride users per annum.

1.2 The advantages for recommendation 2:

- it will seek to maximise the Neighbourhood Services in-house Teams, utilising Neighbourhood Services technical resources;
- it will enable local green job creation and training opportunities through utilising City Council frameworks and skilled labour force – Neighbourhood Services operational teams;
- it will create training opportunities, stimulating the local economy, demonstrated through up-skilling in-house teams, including the recent intake of 50 apprentices.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

2.1 Nottingham City Council adopted its own Energy Strategy in 2010 which sets ambitious 2020 targets, as well as a commitment to reduce carbon emissions by 31% by 2016 as set out in the Carbon Management Plan. Contained within the Energy Strategy are the following commitments:

- (a) increased capacity of renewable technologies;
- (b) reduction of CO<sub>2</sub> across the Council's corporate estate.

2.2 Investment in Solar PV infrastructure has been made possible by the Central Government's FIT scheme, a subsidy payment for renewable electricity generated on site by eligible technologies. All money generated from the FIT, electricity cost savings (money saved by using electricity generated on site and not importing from the electricity grid) and export payments (money paid for generating electricity which is fed back into the national grid) will provide a financial benefit to the City Council.

2.3 In November 2011 a decision was taken to install commercial PV panels on the City Council's commercial buildings and the Council have already installed over 250kW of capacity across numerous council owned buildings utilising this framework. The largest example currently in the City is the installation at the Tennis Centre which comprises a 150kW Solar PV system and provides electricity savings of approximately £11,000 per annum.

2.4 Also in 2011 the Council installed Solar panels to over 3000 domestic properties which enabled each resident to benefit from the free electricity generated by the system for the next 20 years, contributing further towards the Council's Plan to reduce fuel poverty.

- 2.5 This report highlights an opportunity for the Council to expand the commercial solar PV installation programme to further site across the City, in particular Park and Ride sites. The scheme will satisfy the carbon reduction commitments as part of the Council's policy commitments (cut carbon emissions by 31% as an authority and 15% across the City by 2016), whilst also contributing to its energy strategy targets (delivering 26% carbon reduction and 20% of energy demand met by low carbon and renewable energy by 2020).
- 2.6 There are numerous park and ride sites across the City that would be suitable for a Solar PV canopy installation. This report asks for approval on two schemes under City Council ownership:
- Queens Drive Park and Ride
  - Colwick Racecourse Park and Ride
- 2.7 These schemes are the first of their kind in the UK and once installed will provide the City Council with a template for delivery for any future schemes. Where site specific business cases identify sites that are not wholly owned by the City Council it should be noted that these could be delivered by Enviroenergy, a subsidiary of the Council and the approval process for doing so shall follow the Governance arrangements of that company.
- 2.8 Scheme delivery will be targeted through the Council's Operational Services including Neighbourhood Services technical resources, however, the most suitable delivery option may vary between sites.
- 2.9 The City Council shall procure suitable materials for the installation through a compliant OJEU tendering exercise which will enable the City Council's operational resources to deliver the scheme as outlined
- 2.10 This project is at the forefront of innovation in the Solar PV industry, currently there are no Solar PV Car Park Canopy systems in the UK of this scale. This project has the potential to become the UK's largest Urban Solar PV canopy.
- 2.11 The first proposed site identified at Queens Drive will provide a regional statement of Nottingham's ambitions in this sector. The chosen site is at a key gateway location to the City, adjacent to the A52 and the River Trent and will be seen by 81,000 motorists and bus users per day.
- 2.12 It is our ambition to grow and expand this programme beyond the City Council owned sites identified in this report. This can be realised by using the templates developed during the installation in conjunction with the City Council's subsidiary Enviroenergy, to deliver further schemes to third party park and ride sites such as the Nottingham Express Transit (NET) sites.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Procuring full design, supply and installation through the existing commercial solar PV framework was rejected as it would add unnecessary additional cost to scheme by procuring a third party contractor for the installation reducing the return on investment of the scheme. The Council can make significant savings by procuring all materials separately and installing utilising suitably skilled and experienced in-house teams. Also this may reduce the opportunity to create local jobs.

3.2 Doing nothing option was rejected as it would offer no contribution to the Council policy or the energy strategy as outlined in the body of this report. It would also mean that the Council is unable to take advantage of the FIT subsidy, export tariff payments and energy savings associated with a Solar PV installation.

#### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

4.1 Detailed in the exempt appendix of this report.

#### **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

5.1 The scheme shall require contracts between the Council and the preferred suppliers for the supply of materials associated with Solar PV installations as outlined in the detailed technical design.

5.2 Legal services shall advise Energy Services on appropriate terms and conditions of contracts with preferred contractors and associated documentation for the programme

5.3 The project has a risk management log but the key risks are highlighted below:

- (a) securing planning consent for proposed installations;
- (b) approvals from key stakeholders including; Western Power Distribution (new connections to the existing national electricity grid), Environment Agency (flood plain risks);
- (c) delivery of scheme before planned FIT degradation in 2015;
- (d) site security and vandalism;
- (e) cost for project come in under or on-budget

5.4 There are no legal implications of concern, provided that correct procedures are followed including those required by the Contract Procedure Rules, the Public Contracts Regulations and the rules of any framework used, as may be applicable.

5.5 There are no procurement concerns with this decision. The Corporate Procurement Unit will provide support for the procurement processes relating to the installation of Solar PV Car Park Canopies, to ensure value for money and compliance with Contract Procedure Rules.

5.6 The Highways Framework is an existing Council framework available to use for the provision of the specialist services required from external sources. Supplies of components for the installations will be procured via an EU compliant full tender process.

#### **6 SOCIAL VALUE CONSIDERATIONS**

6.1 The dominant procurement activity detailed in this decision refers to a goods contract and therefore the social value considerations are not applicable in this case.

6.2 The subject matter of this decision has intrinsic environmental credentials and will naturally address the environmental well-being of the area

## **7 REGARD TO THE NHS CONSTITUTION**

7.1 Not applicable.

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

## **9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 None.

## **10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 Delegated decision 967 – Establishment of a procurement and implementation framework and appointment of suppliers for the installation of photo voltaic PV panels on council buildings”

10.2 Delegated decision 0006 – “Approval of additional funding to complete solar photo voltaic panel installations at Ambleside Primary School and the Nottingham Tennis Centre”

10.3 Executive Board report December 2010 – Key decision – Energy strategy implementation solar photovoltaic programme on domestic properties

10.4 Sustainable Energy Strategy

## **11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

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