

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number: 3525
Author: Mark Lowe
Department: Development and Growth
Contact: Mark Lowe
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Subject: Additional and Remedial PhotoVoltaic system works

Total Value: £104,020.56 (Type: Capital)

Decision Being Taken: For the Housing Revenue Account (HRA) to pay Nottingham City Council £104,020.56 for the delivery of works to enable PhotoVoltaic (PV) systems on HRA properties to access the Feed in Tariff (FiT) Scheme.

Reasons for the Decision(s) Between 2016 and 2018, Nottingham City Council investigated properties that were not generating or receiving a return in the FiT scheme. It was found that c.200 of the original, phase 1, 1,800 solar PV installations on HRA properties were not generating the expected income from FiT (where electricity suppliers pay the HRA for excess electricity generated and exported by systems on HRA properties). NCC undertook a programme of works to re-establish the systems' functionality and connection to the FiT scheme, including the purchase of goods and materials from approved contractors/third parties. A total of 350 repairs were undertaken.

The cost of works, including all labour and materials amounts to £104,020.56 and has been delivered by the Council's in house team. These works, including the reinstatement of systems from prior phases of PV installation, were outside of the scope of Nottingham City Homes' ongoing maintenance programme, which has a separate budget allocated via the management agreement, however the properties that received repairs can be included from now on.

The average annual FiT generated per property is c.£1,100 (based on 2015-2018) and the FiT is available for a further 13 years, with the repairs enabling access to this. The payback period for the repairs will be less than one year and NCC will continue to receive an income for 13 years thereafter. This expenditure is considered good value for money.

Other Options Considered: The works have already been undertaken. No other options considered.

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None.

Equality:

EIA not required. Reasons: Decision concerns repair to existing installation, that does not affect any particular group or protected characteristic.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

17/05/2019

Advice Sought:

Legal, Finance

Legal Advice:

This report does not raise any significant legal issues as this is a legitimate use of budget in accordance with advice from colleagues in finance. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 18/03/2019.

Finance Advice:

The PV cells located on council owned houses generate income for the council via the Feed in Tariff (FiT) and to enable the full amount of FiT to be claimed the works described in the report were completed by Commercial & Operations Energy Team.

The cost of £0.104m can be met from a provision that was set aside when the works were completed, within the Housing Revenue Account (HRA) budget in 2016/17.

From 2017/18 an additional amount was included in the Repairs and Maintenance budget paid to NCH from the HRA. Any further maintenance costs from 2017/18 onwards will therefore be met by NCH and not the council.

Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 26/02/2019.

Signatures

Linda Woodings as Portfolio Holder (Portfolio Holder Planning, Housing and Heritage)
SIGNED and Dated: 10/05/2019
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 09/05/2019