

**To:** Executive Board Member for Finance and Efficiency

**Date:** 7 September 2011

**Report of:** Head of Corporate Assets

**Title of Report:** Installation of Photovoltaic panels on the roof of the Barton Neighbourhood Centre.

### **Summary and Recommendations**

**Purpose of report:** To seek approval to grant a lease to Barton Community Association (BCA) to allow the Association to install Photovoltaic panels on the roof of the Barton Neighbourhood Centre. The report is presented on the basis of this potentially being a “less than best consideration” transaction, and time being of the essence.

**Key decision?** No

**Executive lead member:** Councillor Ed Turner

**Report approved by:** David Edwards,  
Executive Director, Regeneration and Housing

**Finance:** David Watt  
**Legal:** Steve Smith

**Recommendation(s):** The Executive Member is recommended to:

1. Approve the principle of a disposal at less than the best consideration as detailed herein.
2. Approve the granting of a lease of part of the roof space at Barton Neighbourhood Centre to enable the installation of Photovoltaic panels as detailed in this report, and otherwise on terms and conditions to be approved by the Head of Corporate Assets.

### **Appendices Listed**

### **Background**

1. This report seeks approval to grant a lease to Barton Community Association (BCA) to allow the Association to install Photovoltaic (PV)

panels on the Barton Neighbourhood Centre owned by Oxford City Council and edged on the plan attached at Appendix 1.

2. BCA have been successful in obtaining a grant of £60,000 from the Department of Energy and Climate Change (DECC) in order to pay for the installation of the panels and have now selected an installer to carry out this work on their behalf.
3. The proposed PV panels are a 13kWh solar photovoltaic array which will be mounted on the south elevation pitch of the Neighbourhood Centre. The array consists of 72 modules, mounted in 4 rows of 18, and each module measures 1.3X1m.
4. Due to recent changes to the Feed in tariff (FIT) brought about by the DECC, BCA must have the PV panels installed and registered with Ofgem before the 1<sup>st</sup> October 2011 if they are to benefit from both the grant for the installation and the FIT.
5. The FIT is a critical part of this proposal as the BCA will utilise the money generated from selling electricity back to the grid which will assist in funding local community projects and subsequently aid in reducing the carbon footprint of the local area.
6. Negotiations are in progress with the BCA, but as this has the potential to be a “less than best consideration” transaction, and time, as described above, is of the essence, in principle approval is sought to this approach, with final terms then being able to be approved under delegation by the Head of Corporate Assets.

#### Issues

7. The BCA have applied for planning permission for the installation of the PV panels and a decision is not due until mid September 2011. This is potentially a cause for concern as it does not provide much leeway with timescales to meet the 1<sup>st</sup> October deadline for the completed installation.
8. To coincide with the planning process and to avoid any undue delay, officers are progressing with heads of terms for a lease of the roof space subject to successful planning permission being granted.

#### Lease

9. The lease of part of the roofspace as shown in Appendix A, will be for a period of 25 years with all responsibility for upkeep and maintenance of the PV panels and associated feed cabling falling to the BCA. The lease will be for a peppercorn rent and otherwise on terms to be agreed by the Head of Corporate Assets.
10. The rights to lease part of the roof space will also allow for associated cabling to be fed through the building to the control room where the electricity exchange will be housed.

### Risk Implications

11. A risk assessment has been undertaken and the risk register is attached as Appendix 2.

### Sustainability and Climate Change Implications

12. In granting a lease to BCA for this purpose, the Council will be supporting both Corporate objectives and assisting communities in lowering their carbon footprint.
13. Officers have been informed that the 72 modules will provide up to 13kw of power into the building. Over a year this will provide 11226kWh of electricity which would provide a carbon saving of 5.9 tonnes of CO2 per annum.

### Equalities Implications

14. The engagement of the BCA in taking on the lease and the retention of the income derived from the FIT will empower communities to be more active and sustainable in their approach to carbon reduction.

### Financial Implications

15. The City Council are currently responsible for meeting the electricity charges of the Barton Neighbourhood Centre, although some of this is re-charged via a service charge to some of the occupiers of the Neighbourhood Centre.
16. With this proposal and the FIT this should have the effect of reducing the electricity bills and energy usage at the Centre. Current details on the costs and energy incurred in 2010/2011 are detailed in Appendix 3.
17. The (estimated) savings on cost and carbon savings are further detailed in Appendix 3.
18. Under this proposal the Council will not receive a rent for the leasing of the roof space as the benefit will be to the Council in lower electricity bills at the Neighbourhood Centre and reduction in the building's carbon output.
19. If the Council were to rentalise the part of the roof space to be leased, a rent in the region of £1000pa would be appropriate. As the Council is to benefit as outlined above, a peppercorn rental is proposed.

## Legal Implications

20. The power to dispose of land is contained within S123 of the Local Government Act 1972 for best consideration. The disposal at an undervalue is authorised through the provisions of the published General Disposals Consent 2003.

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**List of background papers:** Appendix 1 plans showing the property  
Appendix 2 risk register  
Appendix 3 current costs

**Version number:** 1

**Appendix 2**

**CEB Report Risk Register – Granting of Lease to Barton Community Association for the roof space at Barton Neighbourhood Centre**

Risk Score **Impact Score:** 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic  
**Probability Score:** 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain

No.	Risk Description Link to Corporate Objectives	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Q 1	Q 2	Q 3	Q 4	I	P		
1.	Negotiations fail with BCA.	3	3	BCA/ OCC fail to agree ON Heads of Terms	Mitigating Control: Close contact during negotiations.  Level of Effectiveness: (HML) H	2	2	Action: Ongoing contact throughout process to ensure parties complete.  Action Owner: Ruth Whelan	Outcome Required: Successful negotiation. Milestone Date: September 2011	1	2	3	4		
2.	Planning Application refused	4	4	Application does not meet planning policy or conditions.	Close contact on progress of planning application.  Level of Effectiveness: (HML) M	3	3	Action: Continued liaison with all parties to ensure progress continued.  Action Owner: Ruth Whelan	Outcome Required: Planning application approved by mid September 2011.						
3.	Reputational risk	2	2	Decision made to pursue community benefits over an annual rental for the roof space	Mitigating Control: Head of Corporate Assets continues liaison with Lead Members.  Level of Effectiveness: (HML) H	1	1	Action: Liaison with Lead Members and recognition of any change in policy. Action Owner: Steve Sprason  Mitigating Control:  Control Owner:	Outcome Required: CEB approve detail. Milestone Date: September 2011						