

Report of: Head of Oxford City Homes
To: Executive Board
Date: 21st April 2008 **Item No:**
Title of Report: Solar Photovoltaic Installation, Project Approval

Summary and Recommendations

Purpose of report: To advise Members of the proposed scheme to install a Photovoltaic installation at Northbrook House, Blackbird Leys under Part 4 – Section 8 of the Constitution to incur expenditure on major projects.

Key decision: Yes

Portfolio Holder: Councillor Patrick Murray.

Scrutiny Responsibility: Housing Scrutiny Committee

Ward(s) affected: Blackbird Leys

Report Approved by:

Portfolio Holder: Councillor Patrick Murray
Strategic Director: Tim Sadler
Legal Services: Jeremy King
Finance Services: David Higgins

Policy Framework: Tackle climate change and promote environmental resource management

Recommendation(s):

1. That the Executive Board grant Project Approval for the installation of a Solar Photovoltaic installation at Northbrook House, Blackbird Leys and
2. Authorise the Head of Oxford City Homes to seek tenders from appropriate suppliers under the Building Research Establishment procurement consortium arrangement, and to accept the tender that is the most economically advantageous for the Authority.

Background –

1. During February 2007, the Executive Board and Council approved the budget for the financial year 2007/08, within that budget was the sum of £100,000 to fund a renewable energy scheme.
2. The Government, under Phase 2 of the Low Carbon Buildings Programme (LCBP), provide 50% grant funding for approved Solar Photovoltaic schemes. The Building Research Establishment (BRE) administer the scheme and have complied with all necessary European tendering requirements and have assessed and appointed three suppliers for the installation of Solar Photovoltaic schemes under their framework procurement consortium arrangement.
3. Solar Century, an approved framework supplier under the scheme, has recently undertaken an assessment of four sheltered housing schemes and have recommended that Northbrook House, Knights Road, Blackbird Leys, would be the most suitable for a PV installation.
4. Their calculations show that a saving of 10.5 tonnes of carbon can be saved per annum which effectively means a saving of approximately half of the landlords electric supply costs on the block. This in turn reduces the tenants' service charges.
5. The PV system proposed will be in the form of tiles and will replace the existing concrete tiles. They will be unobtrusive and will have very little maintenance. They have an output guarantee for 25 years.

Proposals -

6. The proposal is to seek tenders from approved PV suppliers within the LCBP (Phase 2) and to apply for 50% grant funding.
7. It is further proposed that the Head of Oxford City Homes should be authorised to accept the tender which is the most economically advantageous to the Council.

Financial implications -

8. It has been estimated that the total cost of the scheme will be in the region of £160,000 but due to the grant funding of 50% the Council's contribution will be £80,000 plus fees of 10%.
9. The current annual cost of electricity for the communal areas of the block (landlord's supply) is approximately £3,400. It is predicted that a saving of approximately 50% can be expected, reducing the annual cost by £1,700. On this basis alone the payback period will

be 40 – 50 years but with possible savings on new roofing costs in the future (the current roof is over 40 years old) and the likelihood of electricity costs getting considerably higher the actual payback period will reduce to a more acceptable level.

10. In the event of surplus electricity being produced, particularly in the summer months, the surplus electricity generated can be fed into the National Grid and the Council will receive an agreed unit sum for it – currently 9.3p, which is higher than the current syndicate unit rate of 9.0p that the Council currently pays for electricity.
11. It should be noted that, should the predicted savings be made, the service charge to individual tenants in the block will reduce by £68 per annum.

Legal Implications –

12. The OJEU procurement advertising formalities have been met under the LCBP framework agreement and the PV suppliers have been assessed and approved by the BRE. Under the grant application process the BRE checks prices and technical data that the PV suppliers submit.
13. In compliance with the Constitution, Oxford City Homes will be seeking tenders from the approved suppliers and will assess them on a value for money basis. It is proposed that the Head of Oxford City Homes be authorised to accept the tender that represents the most economically advantageous position for the Council.

Consultation –

14. Tenants, via the Repairs and Improvements Topic Panel and the Housing Advisory Board have been consulted on the proposed scheme and have approved it.

Timescale -

15. It is understood that the grant approval process is quick and it is expected that, contract and grant permitting, work will commence on site during May 2008.

Recommendations

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2. Authorise the Head of Oxford City Homes to seek tenders from appropriate suppliers under the Building Research Establishment procurement consortium arrangement, and to accept the tender that is the most economically advantageous for the Authority

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Background papers: Capital & Planned Maintenance
programmes.