

GOVERNANCE AND RESOURCES COMMITTEE  
24 MARCH 2016

Updating Report of the Head of Resources

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## **PROPERTY CONDITION SURVEYS 2015 – TOWN HALL WORKS**

### **SUMMARY**

This updating report outlines the options and payback times for the installation of Solar PV panels as part of the Town Hall re-roofing contract.

### **RECOMMENDATIONS**

That, given that the 3 proposals for Solar PV Panels are within budget and have a payback period of under 10 years, DCC be instructed to analyse the 3 quotations received and proceed with the most Economically Advantageous Proposal to be included in the Town Hall re-roofing contract.

### **WARDS AFFECTED**

All

### **STRATEGIC LINK**

The effective maintenance of the Council's property assets contributes to the value of value for money and the aim of providing excellent services as expressed in the Corporate Plan 2015/16.

## **1 BACKGROUND AND INTRODUCTION**

A report was presented to the 17 September 2015 meeting of this Committee outlining works identified by Condition Surveys at the District Council's main properties covering the period 2015 to 2020 and recommending a programme for undertaking the works over the next 4 financial years.

This programme included a number of works at Matlock Town Hall comprising damp proofing works to the basement offices, replacement of the flat roof covering and the possible installation of Solar PV panels.

At the time of the last report the Government had just announced changes to the Feed in Tariff payments applicable to Solar installations so it was agreed that a further report would be presented with more details of costs and payback periods to enable an informed decision to be made as to whether to install PV panels as part of the re-roofing contract and, if so, which units to specify, hence this report.

## **2 CURRENT POSITION**

### **2.1 Proposed Solar Panels**

The potential installation of solar panels on this roof is not strictly a Condition Survey issue but, as such significant works and the associated scaffolding equipment is necessary, it was considered to be prudent to obtain a cost for undertaking such works at the same time.

A provisional sum of £50,000 is already included in the tender figure of £217,026.86 above for the roofing works. Following significant changes to the Feed In Tariff last year, an analysis has been undertaken of the various PV panel options and associated pay back times and these are set out in this updating report.

### **2.2 Analysis of Options.**

Derbyshire County Council have approached 3 companies supplying solar PV systems. All have visited site and have provided quotations, the details of which are set out in the table below. All quotes include the supply and fitting of the PV panels but only that from MTG includes the supply and fitting of the mounting system which secures the panels to the roof.

There are also differences between the quotations in terms of the other items included such as access equipment etc. As these works are to be included in the larger re-roofing project as outlined in the main report, these costs will require further analysis should the decision be made to proceed with PV panels but all quotations fall well within the provisional sum of £50,000 already included in the tender figure of £217,026.86 above for the roofing works.

### **2.3 Feed In Tariff**

As of the 1st April 2010 the UK Government introduced Feed-in Tariffs (FIT), via the energy suppliers to encourage home and business owners to switch to renewable technologies, helping the UK to lessen its carbon footprint and to meet 2020 emissions targets.

The Feed-in Tariff provides a realistic way for businesses to become more environmentally sustainable people and businesses to become more 'Green' whilst providing an attractive return on investment .

The scheme will pay for every unit of electricity generated with renewable technologies, such as Solar PV whether it is used on site or exported back into the grid.and is guaranteed for 20 years with rates being index linked.

FIT rates vary according to the technology, size of the installation, the results of the Energy Performance Certificate (EPC) and whether it is a new build or retro fit system. Based on achieving a grade D on the EPC , it is estimated that the Council would receive the highest rate tariff of £ 0.045per kWh (kilo Watt hour) generated.

In addition to this income stream, there is also an estimated saving on electricirty bills due to the use of the majority of the power generated by the PV units on site.Adding

these 2 figures together over the expected 20 year life of the panels gives a pay back period for the capital invested.

As shown below, this varies between 6 and 8 years depending on the system used. Following this time the full income/saving will accrue to the Council.

<b>SYSTEM SUPPLIER</b>	<b>Quotation</b>	<b>System Size</b>	<b>Pay Back Time</b>
	£	kwp	Years£
MTG	<b>37,040</b>	31.50	6.8
EVO	<b>28,913</b>	22.88	7.5
DULAS	<b>27,983</b>	22.88	8.0

### **3 RISK ASSESSMENT**

#### **Legal**

There are no legal considerations arising from this report. The legal risk is therefore low.

#### **Financial**

The total tendered cost for these schemes is lower than the amounts included in the current capital programme; the financial risk is therefore assessed as low.

The figures relating to expected savings on energy costs and payback terms are included in the updating report.

### **4 Corporate**

Adoption of a planned effective maintenance programme based on accurate condition survey information will ensure that the District Council's properties remain in good condition and operating efficiently, reducing the risk of disruption to service delivery. An accurately costed programme also allows for informed decisions to be made about the suitability and cost effectiveness of each property.

### **5 OTHER CONSIDERATIONS**

In preparing this report the relevance of the following factors is also been considered prevention of crime and disorder, equality of opportunity, environmental health, legal and human rights, financial personal and property considerations.

## **6 CONTACT INFORMATION**

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## **7 BACKGROUND PAPERS**

None