

		<b>Report to:</b> Northwards Housing Board Date of Meeting: 8 <sup>th</sup> May 2007		<b>Item No:</b>  <h1>7f</h1>	
<b>Title:</b>		Photovoltaic (PV) Panels			
<b>Date:</b>		30 <sup>th</sup> April 2007			
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<b>Confidential:</b>		No			
<b>For:</b> (Please tick action required)		<b>NOTING</b>		<b>DISCUSSION</b>	
				<b>APPROVAL</b> √	
<b>PURPOSE OF REPORT</b>					
<p>To update the Board regarding the proposal to install Photovoltaic (solar) panels onto 19 multi-story blocks across North Manchester and to seek approval from the Board for capital funding.</p>					
<b>RECOMMENDATION</b>					
<p>The Procurement &amp; Property Sub-Committee is recommending that the Board approve the scheme and the 50% funding (up to £250,000) required to undertake it. An additional 50% match funding will then be sought by one of the Department of Trade and Industry's (DTI's) Solar PV Framework suppliers, through Phase 2 of the DTI's Low Carbon Buildings Programme.</p> <p>The Procurement &amp; Property Sub-Committee is recommending that savings generated to Northwards Housing could be used to make the multi-storey blocks more energy efficient or could fund other environmental projects within or close to the blocks.</p>					
<b>IMPLICATIONS</b>					
<b>Equality &amp; Diversity:</b>		None directly			
<b>Financial:</b>		There is a capital cost of up to £250,000 which can be funded within the existing capital budget without impacting on other schemes. The panels will help power the landlord electrical requirements in each block generating revenue savings.			
<b>Staffing:</b>		None directly			
<b>Decency Target:</b>		None directly			
<b>Governance:</b>		None directly			
<b>Risk Assessment:</b>		Warranties: Provision for maintenance and periodic replacement of components to be made from savings generated.			

**Equality & Diversity Implications** (Please tick where relevant):

BME	<input type="checkbox"/>	Lesbian/Gay/Bisexual/Transgender	<input type="checkbox"/>
Gender	<input type="checkbox"/>	Single Parents	<input type="checkbox"/>
Age	<input type="checkbox"/>	Domestic Violence	<input type="checkbox"/>
Disability	<input type="checkbox"/>	Alcohol/Drug Mis-users	<input type="checkbox"/>

**Consultation/Consideration:**

	<b>Yes, No or N/A:</b>	<b>Name:</b>	<b>Date:</b>
<b>Sub-Committee:</b>	Yes	Procurement & Property	25 <sup>th</sup> April 2007
<b>Area Panel:</b>	No		
<b>Task Groups:</b>	No		
<b>Ward Councillors:</b>	No		

**1. Background**

- 1.1 In 2004, nearly half of the 150 million tonnes of carbon dioxide produced in the UK came from energy use in buildings.
- 1.2 In December 2006, the Communities Local Government (CLG) produced a discussion paper 'Building a Greener Future: Towards a Zero Carbon Development' which set out the Governments target of reducing carbon dioxide emissions by 60% (relative to 1990 levels) by 2050.
- 1.3 Since its inception in 2005, Northwards Housing has been looking to utilise renewable energy sources in conjunction with Manchester City Council's Green City Team in order to help reduce carbon dioxide emissions.
- 1.4 An application was made to the DTI Clear Skies programme in April 2006 and £250,000 was secured for a scheme to install Photovoltaic panels on 16 multi-storey blocks and a number of low-rise properties. However, as we were not able to secure the 50% match funding required, this money was returned to DTI.
- 1.5 Northwards Housing has since identified savings through the re-wiring contract and is therefore able to contribute the 50% funding necessary to fund the scheme, subject to Board approval. Although the low-rise properties have been excluded from this proposal an additional 3 multi-storey blocks have been included, therefore the cost of implementing the scheme (£500,000 in total) is the same.
- 1.6 A number of PV suppliers have been through a competitive tender process and are now accredited suppliers for Phase 2 of the DTI's Low Carbons Building Programme. £50m is being made available through this programme which can be utilised for micro generation technologies for public sector and charitable bodies. Subject to Board approval of the scheme and funding, a preferred PV Framework supplier will be appointed who will then make the necessary arrangements to access 50% match funding available through the Low Carbon Buildings Programme.

- 1.7 A proposal has been submitted by British Gas (Northwards Housing's Energy Partner) which sets out their proposal in more detail. Sundog Energy and Solar Century are also in the process of preparing detailed proposals for the scheme.
- 1.8 The British Gas proposal would cost £489,488 in total. Based on 4.86kWp panels, the scheme would generate 73,872 kWh of electricity per annum equating to an anticipated displacement of 31,768 kilograms of carbon dioxide per annum. This would generate a saving to Northwards Housing of approximately £6,759 per annum, or £355 per block per annum (based on 9.15 pence per kWh). Rochdale Boroughwide Housing has implemented a similar scheme which has generated savings in excess of those anticipated at the outset; £570 per block per annum based on 5.00kWp panels.
- 1.9 Once all three proposals have been received, a preferred supplier will be appointed based on value for money, electricity generated and carbon dioxide displacement.
- 1.10 The cost to offset the 31,768 kilograms of carbon dioxide would be £288 per annum through [www.co2balance.com](http://www.co2balance.com)
- 1.11 Energy produced by the PV Panels will contribute towards the landlord supply within the block (i.e. lighting and lifts) and as such, savings generated will be to Northwards Housing. It was suggested by the Procurement & Property Sub-Committee that savings generated could be used to make the blocks more energy efficient or could fund other environmental projects within or close to the blocks, in consultation with residents within the respective blocks.
- 1.12 It is anticipated that the Audit Commission's KLoE 3 (Stock Investment and Asset Management) is likely to be updated to include an Energy Efficiency/Renewable Energy element to bring it in line with both CLG and Housing Corporation requirements. By implementing this scheme, Northwards Housing can significantly reducing the amount of carbon produced and demonstrate its commitment to utilising renewable energy sources.

## **2. Next Steps**

- 2.1 Subject to the Board recommending the capital contribution, an application will be made via MCC Gateway for allocation of funding from the Northwards 2007/08 Capital Programme.
- 2.2 The preferred supplier will take the necessary steps to secure the grant funding via Phase 2 of the DTI Low Carbon Buildings Programme.
- 2.3 DTI funding must be allocated by March 2008 and they allow one year to undertake the project, however, it would be preferable if the scheme could be completed within the 2007/08 financial year.
- 2.4 On receipt of DTI funding, we would agree a timetable with the preferred supplier to undertake the design, installation and commissioning of the PV panels.

### **3. Recommendation**

- 3.1 The Procurement & Property Sub-Committee is recommending that the Board approve the scheme and the 50% match funding (up to £250,000) required to undertake it.
- 3.2 The Procurement & Property Sub-Committee is recommending that savings generated to Northwards Housing could be used to make the multi-storey blocks more energy efficient or could fund other environmental projects within or close to the blocks.