

**REPORT TO:** Climate and Environment Advisory  
Committee

28 November 2018

**LEAD OFFICER:** Alex Colyer – Executive Director, Corporate Services

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## **South Cambridgeshire District Council Investment in Green Energy**

### **Purpose**

1. This report provides the Climate and Environment Advisory Committee with an update on progress towards South Cambridgeshire District Council (SCDC) investment in Green Energy, specifically at the Waterbeach Depot and South Cambridgeshire Hall sites. This includes the briefing that has been provided to Bouygues in order to shape High Level Assessments at these sites (**Appendix A**), and the first High Level Assessment that has been delivered for the Waterbeach Depot (**Appendix B**).

### **Recommendations**

2. The Climate and Environment Advisory Committee is invited to:
  - (a) Note and comment on the progress that is being made towards SCDC green energy investment at Waterbeach Depot and South Cambridgeshire Hall sites, as detailed within the contents of this report and its appendices.

### **Reasons for Recommendations**

3. The above recommendations have been made to inform the Climate and Environment Advisory Committee of progress towards SCDC green energy investment at Waterbeach Depot and South Cambridgeshire Hall sites. It also provides an opportunity for the Climate and Environment Advisory Committee to comment on progress and shape future activity in this area.

### **Background**

#### ***A Briefing for Waterbeach Depot and South Cambridgeshire Hall High Level Assessments***

4. At the meeting of 20<sup>th</sup> September, Climate and Environment Advisory Committee noted that a project brief would be prepared to inform a High Level Assessment (HLA) for the South Cambridgeshire Hall site (to be delivered by Bouygues under the Re:fit framework, which seeks to reduce barriers to the retrofit of non-domestic public sector buildings or estate with green energy measures). The briefing document at **Appendix A** has subsequently been produced with input from Facilities Management, Executive Director and Chair and Vice-Chair of the Climate and Environment Advisory Committee.
5. A subsequent meeting was held on 25<sup>th</sup> October to agree the briefing with representatives from Facilities Management, Climate and Environment Advisory Committee and Bouygues Energies and Services. During this meeting an opportunity was raised and discussed around the opportunity to install solar panels on the roof of the Waterbeach Depot in time to benefit from feed-in-tariffs (FiT) prior to the cessation of the FiT scheme from 1<sup>st</sup> April 2019. As such, it was agreed that the

briefing scope would be broadened to include a second HLA, setting out this opportunity in greater detail. It was also agreed that Bouygues would deliver this as a matter of urgency to enable presentation to the Informal Cabinet meeting on 7<sup>th</sup> November and to allow the necessary approvals to be granted to allow FiT deadlines to be met.

### ***Waterbeach Depot High Level Assessment***

6. **Appendix B** contains the resulting HLA for the Waterbeach Depot. Some key points to note have been set out below:

- This document focuses solely on the installation of solar panels on the roof of the Waterbeach Depot offices, to ensure that feed-in-tariff deadlines can be met. Subsequent HLAs for the South Cambridgeshire Hall site and other SCDC assets will provide a more holistic view of opportunities. It could also be possible for a future project to be set up to consider additional measures at the Waterbeach Depot during a later phase of the SCDC Re:fit programme.
- Although SCDC lease the Waterbeach Depot, it is not foreseen that this will present any issues, with the landlord having provided approval in principle for installation of a PV array on the roof, albeit with formal agreement of installation specifics still required. The remaining term on the lease is for 15 years and it was therefore identified within the HLA brief that the installation would need to be financially viable within this period.
- The HLA outlines the **minimum expectations** for ensuing stages of the project and outlines a project capital cost of £45,494 and total payback period of 8.75 years.
- The viability of this project is dependent on securing a grid connection, thus allowing receipt of FiT income. Bouygues have indicated that a grid connection is likely to be available given the relatively small size of the proposed installation. An application for grid connection was submitted to UK Power Networks (UKPN) on 1<sup>st</sup> November. Bouygues have indicated that UKPN will typically respond to such applications within six weeks.
- The HLA contains two options: 'Option 1 (Base Proposal) – 30 kWp Solar PV Array'; and 'Option 2 – (Enhanced Proposal) – 37kWp Solar PV Array'. At the Informal Cabinet meeting of 7<sup>th</sup> November, it was requested that we progress to the next stage of the project on the basis of option 1, so as to maximise income received from feed-in-tariffs and reduce potential for complications and delays (as set out within the High Level Proposal).
- The next phase of the project is the production by Bouygues of an Investment Grade Proposal (IGP), scheduled for completion by mid-December. This will contain a greater level of detail (e.g. energy analysis, firm costings, specifications and designs). The savings set out within the IGP will form the basis for the Savings Guarantee which exists under the Re:fit framework. The payback and energy generation figures included in the IGP will be no less favourable than those already included within the HLA.

### ***South Cambridgeshire Hall Site High Level Assessment***

7. In addition to Waterbeach Depot, Bouygues have also commenced research for the South Cambridgeshire Hall site HLA, having conducted their first site survey on 9<sup>th</sup> November. As detailed above and within the project brief document (**Appendix A**) this will provide a comprehensive view of options at the South Cambridgeshire Hall site and within its locality, and is not restricted by a reliance on meeting feed-in-tariff deadlines. Please see point 2.2 'Project Scope and Exclusions' of Appendix A for full details of the South Cambridgeshire Hall site scope.

### ***Street Lighting High Level Assessment***

8. During the Climate and Environment Advisory Committee meeting of 20<sup>th</sup> September it was agreed that an HLA would also be commissioned in relation to SCDC's stock of footway lighting, and how added environmental value could be achieved for this set of assets (e.g. hosting of Electric Vehicle Charging Points and/or Air Quality Monitoring Stations etc.). A separate briefing will be drafted and submitted to Bouygues to shape the expectations for this HLA during the coming months.

### **Implications**

9. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:-

#### ***Financial***

10. This report is part of a wider piece of work to explore and implement options for the investment of funds from SCDC's Renewables Reserve. This reserve is fed from business rates that are retained in relation to renewables sites located within the district. To date approximately £2.6 million has been paid into the reserve with only a relatively small amount of this committed for spend. As things stand the Renewables Reserve will continue to be added to as we retain business rates relating to renewable energy sites for the current and future years.

#### ***Legal***

11. SCDC have signed an agreement with Local Partnerships to gain access to and ensure compliance with the Re:fit framework terms. We are now in the process of agreeing call-off terms with Bouygues in order to progress to the Investment Grade Proposal and Implementation phases of the Waterbeach Depot solar project. Although this work is on-going with 3C legal acting on SCDC's behalf, Bouygues have commenced work on the IGP in good faith that the call-off terms will be finalised in the coming weeks. It will not be possible to proceed to the implementation phase of the project without call-off terms having been finalised. Call-off terms will also need to be agreed for future projects, including the implementation of any measures for the South Cambridgeshire Hall site.

#### ***Staffing***

12. It has been agreed that a new Energy Investment Officer post will be created and recruited to in order to progress the Green Energy investment agenda, including work under Re:fit and further options for direct investment in renewables.

### ***Risk Management***

13. Risk registers will be completed for each Renewables Reserve investment project taken on.

### ***Equality and Diversity***

14. Equality Impact Assessment screening documents will be undertaken for each Renewables Reserve investment project so as to ascertain instances where a full Equality Impact Assessment is warranted.

### ***Climate Change***

15. This report has been developed to assess the options available to SCDC for the investment of Renewables Reserve funds in projects that will seek to deliver or contribute towards climate change reduction measures.

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