

LEWISHAM SCHOOLS FORUM			
REPORT TITLE	Sustainable Technologies		
DECISION	Yes	Item No. 10	
CLASS	Part 1	Date	10 December 2015

1. Purpose of the report

This report seeks approval from Schools Forum relating to the allocation of the financial benefits arising from the installation of solar photovoltaic panels (solar panels) by the Authority.

2. Recommendation

That the Forum agree that where the Council has procured solar panels through an agreement or as a result of construction works that the arising consequential benefits are shared as follows

- The school benefit from the reduced unit cost of electricity.
- The Council receive the Government backed feed in tariff (FiT).

3. Background

- 3.1 The contents of this report are consistent with the Council's policy framework and in particular the Sustainable Community Strategy policy objective 'Clean, green and liveable'.
- 3.2 Renewable energy has been supported over the last 5 years through a Government-backed feed-in-tariff (FiT). The FiT provides a financial incentive to invest in renewable technologies through an income stream based on a guaranteed 20 year price per kWh of energy generated, linked to the retail price index. Payments are calculated by a deemed rate based on the size of the system regardless of the energy consumption at the point of generation.
- 3.3 Solar photovoltaic panels should also offer a financial benefit by generating electricity, therefore reducing or replacing the schools reliance (to some degree) on the supply of electricity.

Therefore as a result of the installation of solar photovoltaic panels the schools energy bills will reduce.

- 3.4 The Government is proposing to significantly reduce the FiT for new installations in January 2016. For panels between 4 and 50 kWh the current rate of FiT is 11.30p/kWh. This is expected to reduce by 67% in January. The rate for smaller systems is proposed to fall even further by 87%.
- 3.5 The Council will be required to undertake a number of actions in order to claim the feed in tariff. This includes registering the system with the district network operator (DNO) and with the relevant electricity supplier. Take readings of consumption and pass these on to the energy supplier on an annual basis. Make an annual statement in respect of ownership of the panel.
- 3.4 Local Planning policy requires that all major developments will reach BREEAM Excellent whereas Basic Need funding, that supports pupil place planning works is calculated on the assumption that BREEAM Very Good will be adequate. If a scheme is not able to meet Excellent the LA is asked to consider making a payment for carbon offset.
- 3.5 PV Cells and other energy saving schemes have been considered and included in all the major permanent expansion schemes, including a recent scheme on a listed building

4 Financial Impact

- 4.1 Expenditure incurred in procuring solar photovoltaic panels is contained within the pupil place project costs although this expenditure is not recognised in the level of Basic Need Funding provided to support the expansion of schools
- 4.2 Through the income generated via FiT the Authority are looking to recoup capital and revenue expenditure incurred as a result of installing solar photovoltaic panels
- 4.3 As a result of the authority's investment in sustainable technology schools are benefiting from reduced revenue costs through lower utility bills.

5 Conclusion

This report formalises an existing arrangement whereby schools benefit from the authority's investment in sustainable technology through lower utility bills, while the Council receives the Feed-in-Tariff (FIT) payment from the Government. The income generated through the FIT is utilised by the authority to fund sustainable technology.