CHILDREN & YOUNG PEOPLE COMMITTEE	Agenda Item 53 Brighton & Hove City Council

Subject:		**Solar Panels in Schools**
Date of Meeting:		**17 November 2014**
Report of:		**Executive Director of Children's Services**
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Ward(s) affected:		**All**

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 The purpose of this report is to update the committee on solar panel installations in the school building portfolio and to outline how the ring-fenced capital budget will be used over the course of the year.

1.2 Solar panels are a key technology helping the council to reduce carbon emissions and enable us to work towards living within One Planet's means, as set out in the One Planet Living sustainability action plan.

1.3 Electricity prices are expected to continue to rise and even though every effort is made to manage the risk of rising energy prices through procurement, the council needs to manage this risk through supporting schools to reduce energy consumption and where possible to generate their own electricity.

2. RECOMMENDATIONS:

2.1 That the Committee notes the outline of how the capital budget will be used to enable electricity generation in schools across the city.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 The committee report for the meeting of 10 March 2014 contained the following statement:

"All new school buildings are designed to high sustainability and energy efficiency standards. Solar panels are a sustainability feature which the Council wishes to encourage. £50 000 has been identified within basic need funding to support this commitment."

As a result of the committee's agreement, the authority has moved forward on this commitment on new school buildings.

3.2 The £50k ring-fenced budget was allocated from the basic need funding, pupil places budget.

3.3 It is proposed that the same amount is ring fenced for the same purpose from basic need funding for 2015/16.

3.4 The first project to benefit from the ring-fenced solar panel budget was the new Hove Junior School at Holland Road. The extension to the existing building was designed to be 'solar panel ready' and by working in partnership, the school and council funded 50% of the costs of the scheme each. The school benefits from the generated electricity and the income from the Feed-In-Tariff. The new solar panel array went live in early summer 2014. The 9.81 KW peak system is set to produce 8514 kWh electricity per year, which is roughly the equivalent of the electricity consumed by 3 average sized UK homes per year. The 30 solar panels cost £19,000 to install and it is estimated that the school will earn over £1,000 per year in government backed Feed-In-Tariff, guaranteed for 20 years. The project is cash neutral from year one and the capital outlay will be paid back within eleven years. The school has a display screen in the new reception area which gives updates to children and staff of the power generation and Co2 reduction.

3.5 The next schemes are in their early stages of development and will focus on the two proposed pupil place extension projects at Saltdean Primary School and St Andrew's CE Primary School. Should the schemes be viable, the council will approach the school to agree their incorporation in the design and agree an approach to sharing the costs of the installation. The school would benefit from the electricity generated and the associated income. The remaining funding for 2014/15 will focus on these two schemes.

3.6 Given the costs associated with solar panels and the source of the budget it is logical to focus initial efforts on ensuring new buildings / extensions benefit from this technology. The costs associated with retrofitting solar panels onto an existing roof-space may be higher than for a new build project due to the remedial works e.g. roof loading testing and strengthening.

3.7 Should this budget be made available in 2015/16 the council will look to offer other schools the option to bid for an amount of money to top-up their own fund for retrofitting solar panels to their school roof. This would be set up as a recycling fund, whereby an agreed annual amount (based on likely savings and income) would be extracted from the school's budget, to replenish the fund. This might for example be used by a school that has signed up to Solar Schools, where the school raises funds through the community for solar panels.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 It is important that any generation project should also consider energy efficiency within the building. There is little point in generating electricity if lights are subsequently inefficient or left on out of hours. Schools now have the option to borrow interest free funding via the Salix Energy Efficiency Loans Scheme, backed by the Department for Education. Schools are supported by the council to put their application together and this covers hundreds of energy efficiency technologies. This fund cannot be used to fund renewable technologies, such as solar panels.

4.2 Rent-a-Roof Schemes: There are many companies offering 'free' solar PV panels. In reality this means they are renting the roof-space to sell the generated electricity back at a reduced rate, as well as claiming the Feed-in-Tariff and exporting electricity back to the national grid. At present Brighton & Hove City Council is not comfortable with accepting the risk associated with granting landlord's consent to 'rent-a-roof' solar PV schemes. This is because of standard lease clauses which would have significant impact upon future school development opportunities.

4.3 Several local schools have signed up to the national Solar Schools scheme and have started raising money to install solar panels. This is a viable alternative way of funding this kind of project, should the school be able to take on the size of the project. St Bartholomew's CE Primary School in Brighton raised £10,000 for solar panels through the national 'Solar Schools' crowdfunding initiative – the first school in Sussex to do so. 39 solar panels are now generating electricity to power the school's lights, computers and other equipment; the money saved on electricity bills will be used to buy more books, sports equipment and other resources for the school. Surplus electricity will be sold to the National Grid, including that generated during school holidays, raising additional funds. The 18 month project has enabled the pupils to learn about green energy and sustainability, and they wrote a song about using the sun's resources which they sang at the launch event. A display board in the school will show children and parents how much power is being generated each day. The children did much of the fundraising, supported by individuals and local businesses.

4.4 There are several schemes now starting to offer a leasing option for solar panels. This is a relatively new model and we are currently reviewing the offers several schools have had in relation to this. As these schemes do not have lease clauses asking that the authority mitigate the supplier's risk in the case of temporary removal due to repair or development, it is seen as a more viable alternative to the rent-a-roof model.

4.5 Borrowing Capital from Brighton & Hove City Council: The School Finance Regulations do not permit schools to borrow money from banks or other financial institutions. Schools can borrow capital from the council to fund solar panel projects although this would attract interest rates set at a level which does not provide any profit to the council.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 All projects to install solar panels require consultation with the local community via the planning process.

6. CONCLUSION

6.1 As the funds have been ring-fenced from the Pupil Places Funding intended to be spent on new building programmes to meet basic need, it seems appropriate that the fund's first priority has been and should continue to be to ensure that this renewable technology can be included, where viable, on new build projects. It may be useful to bolster the funding streams available to schools proposing to

retrofit the technology by making available any underspend in the form of a pot which would consider bids for capital funding. As the fund is not large enough to provide assistance to all schools, it seems fair to require that schools who are successful in bids are asked to sign up to an agreement which would allow the fund to be replenished from savings, allowing the offer to be rolled out to other schools in future years.

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

£50,000 has been set aside in the Children's Services Capital Programme to support schools with Solar Panels as previously identified. Schools can also use their own delegated budget to support costs of installation, as well as raising external funds either through specific funding streams or parental and community support. Any installation should lead to a reduction in on-going utility costs as well as having an educational benefit from the installation.

Finance Officer Consulted: Andy Moore *Date: 28/10/2014*

7.2 Legal Implications:

There are no direct legal implications arising from this report.

Lawyer Consulted: Serena Kynaston *Date: 03/11/2014*

7.3 Equalities Implications

None.

7.4 Sustainability Implications

Solar panels generate electricity and thereby help to reduce ongoing electricity bills and carbon emissions.

7.5 Any Other Significant Implications:

None

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

None