



<b>Subject:</b>	Shaftsbury Recreation Centre: Proposed Energy Project
<b>Date:</b>	8 November 2016
<b>Reporting Officer:</b>	Nigel Grimshaw, Director of City & Neighbourhood Services
<b>Contact Officer:</b>	Cate Taggart, Community Development Manager

<b>Is this report restricted?</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<b>1.0 Purpose of Report or Summary of main Issues</b>	
1.1	The Council-owned Shaftsbury Sports and Recreation Centre was leased to the Lower Ormeau Residents Action Group (LORAG) in the year 2000. In 2009, this arrangement was renewed and extended to a 25 year lease. Under LORAG's management, significant investments and improvements have been made to the centre.
1.2	LORAG has secured external funding to establish an energy project at the centre. This involves placing a number of solar panels on the roof of the centre so that up to 33 kWp of electricity is produced for use within the centre.
1.3	LORAG has successfully applied for and have been awarded £75,652 funding for the project through the Northern Ireland Executive's Social Investment Fund (SIF) and from Pure Leapfrog Community Energy Fund. This covers the total estimated cost of the project.
1.4	In order to progress the project, LORAG has requested formal permission from the Council to install the solar panels. They have also requested technical assistance from the Council in order to assess the viability of the project and to help appoint suitable contractor(s) to carry out the works in accordance with the funding rules.

<b>2.0</b>	<b>Recommendations</b>
2.1	<p>The Committee is asked to:</p> <ul style="list-style-type: none"> <li>• approve LORAG's request to install the solar panels on the Shaftsbury Sports and Recreation Centre;</li> <li>• agree Council technical assistance support for LORAG to appoint and manage suitable contractors to carry out the works in accordance with the funding rules; and</li> <li>• agree to recommend the project to the Strategic Policy and Resources Committee, subject to detailed terms being agreed by the Estates Manager and Legal Services.</li> </ul>
<b>3.0</b>	<b>Main Report</b>
3.1	<p>Shaftsbury Sports and Recreation Centre, which was originally run by the Council, was leased to the Lower Ormeau Residents Action Group (LORAG) in 2000. In 2009, this lease arrangement was renewed and extended for a further 25 years. Under LORAG's management, significant investments and improvements have been made to the centre.</p>
3.2	<p>The latest proposal involves establishing an energy project at the centre. This involves placing a number of solar panels on the roof of the centre so that up to 33 kWp of electricity is produced for use within the centre.</p>
3.3	<p>LORAG has successfully applied for and have been awarded 100% funding for the project through the Northern Ireland Executives Social Investment Fund (SIF) and from Pure Leapfrog Community Energy Fund, a UK based charity which supports high quality carbon reduction projects. The funding is provided using donations to Pure Leapfrog from British Airways passengers via the Carbon Fund.</p>
3.4	<p>In order to progress the project, LORAG has requested formal permission from the Council to install the solar panels. They have also requested technical assistance from the Council in order to assess the viability of the project and to help appoint suitable contractor(s) to carry out the works in accordance with the funding rules.</p>
3.5	<p>There are a number of issues identified with this project;</p> <ul style="list-style-type: none"> <li>▪ <u>Structural</u>. A structural survey has been undertaken by LORAG and a report issued confirming that the existing roof is capable of supporting the proposed panels.</li> <li>▪ <u>Health &amp; Safety</u>. In considering the project, BCC Property Maintenance Officers</li> </ul>

	<p>identified the need for some structural alterations to the roof including the need for provision of suitable handrails in order to access the panels throughout the roof area as well as protecting the translucent panels in the roof.</p> <ul style="list-style-type: none"> <li>▪ <u>Procurement</u>. LORAG does not have the necessary expertise to develop a formal tender and technical specification in order to comply with the grant conditions. BCC Property Maintenance Unit has agreed they can offer this assistance.</li> <li>▪ Once placed on the roof of Shaftsbury RC, the solar panels would become the property of BCC who would be responsible for their maintenance. Upon assessment however this is anticipated to be minimal.</li> </ul>
3.6	<p>The project proposal supports a number of Council objectives including energy efficiency and reducing operating costs. The reduction in overhead costs, and any share of income generated, will allow LORAG to decrease their dependency on grant support and/or extend their current service offer. LORAG is in receipt of annual revenue support from BCC of £55,182. This does not fully cover the annual operating costs for the facility. The initial funding to procure and install the panels has been secured from SIF (£59,022). A further grant of £16,630 has been secured from Pure Leapfrog to support the cost of the structural alterations to the roof as assessed by the Council's Property Maintenance section.</p>
3.7	<p>The return on the capital investment used to procure and install the pv panels consists of 3 elements:</p> <ul style="list-style-type: none"> <li>• The electricity saved as a result of the pv panels producing their own electricity.</li> <li>• Any surplus electricity generated by the pv panels and not used by the centre being exported to the NIE for general use (which they pay for subject to their agreement).</li> <li>• Payments generated from Central Government based on ROC's (Renewable Obligation Certificates), effectively an incentive grant available for the life of the panels and payable annually, in this case for 20 years.</li> </ul>
3.8	<p>If the scheme is not approved, LORAG will lose the ROC payments. The PV panels will still produce a saving from generating their own electricity however the payback period will be adversely affected from an estimated return within 6 years to a payback within 12 years for an operational life of 25 years.</p>
3.9	<p>Property Maintenance has agreed to provide technical and procurement assistance to LORAG as required. Once the panels are installed, it will be Property Maintenance's responsibility to maintain the system. They advise that costs will be minimal as the panels</p>

	<p>are virtually maintenance free and simply require occasional cleaning.</p>
3.10	<p>There are a number of benefits associated with the installation of this solar photovoltaic system.</p> <ul style="list-style-type: none"> <li>▪ The initial capital investment is 100% funded by the Northern Ireland Executive and charitable funds.</li> <li>▪ Approximately 20% of the centre's electricity demand will be met by the PV system thereby significantly reducing the centre's electricity bill.</li> <li>▪ If NIE accept and process the application, the system will be eligible for NIROC payments. For every unit of electricity produced by the installed PV system LORAG will receive an annual payment for the next 20 years thereby providing them with a valuable source of income.</li> <li>▪ The additional income will reduce asset operating costs thus supporting sustainable service provision and reduced dependency on grant aid.</li> </ul>
	<p><u>Financial &amp; Resource Implications</u></p>
3.11	<p>There is no capital cost to council given income secured from external funders.</p>
3.12	<p>Property Maintenance has agreed to provide technical and procurement assistance to LORAG as required. Once the panels are installed, it will be BCC Property Maintenance responsibility to maintain the system.</p>
	<p><u>Equality or Good Relations Implications</u></p>
3.13	<p>There are no equality or good relations implications to this report.</p>
<b>4.0</b>	<b>Appendices – Documents Attached</b>
	None