



Report of: Director Development and Regeneration

Relevant Portfolio Holder: Councillor I. Moran

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**SUBJECT: INSTALLATION OF A COMMERCIAL PHOTOVOLTAIC (PV) SYSTEM
AT WEST LANCASHIRE INVESTMENT CENTRE.**

Wards affected: Skelmersdale South

1.0 PURPOSE OF THE REPORT

1.1 To seek consent for the installation of a commercial photovoltaic (PV) system at West Lancashire Investment Centre serving to harness a green energy source to reduce operating costs.

2.0 RECOMMENDATIONS

2.1 That, a commercial photovoltaic (PV) system be installed at the West Lancashire Investment Centre.

2.2 That Call-in is not appropriate for this item as the matter is one where timely action is required in order that installation can take place before the worst of the winter weather and panels can be energy producing so serving to help reduce operating costs as soon as possible. Furthermore the current availability of an experienced management resource/project lead is time limited.

4.0 BACKGROUND

4.1 West Lancashire Investment Centre was completed in December 2004 and provides accommodation for 31 small and medium sized businesses in a two storey office building across c.47,000 sq ft.

- 4.2 The Centre was developed with £5 million North West Development Agency and European Regional Development Funding and currently generates rental income of £320,000 per annum.
- 4.3 As at 6 June 2019 the Centre's reserve fund stood at £269,000 plus £33,000 in the sinking fund, the latter funded from the service charge levied on the tenants.
- 4.4 Consideration has previously been given to the installation of a PV system at the Centre but this was never progressed due to a number of factors including resource availability.

5.0 CURRENT POSITION

- 5.1 During the financial year 2018 – 2019 electricity costs for the Investment Centre amounted to £100,679.08.
- 5.2 Studies most recently undertaken show the following benefits are to be gained from the installation of a PV system at the Centre:
 - Utility bill savings.
 - Move towards grid independence.
 - Affords protection against rising electricity prices.
 - Improves the Centre's Energy Performance Certificate (EPC) rating.
 - Reduces carbon footprint.
 - Positively demonstrates the Council's green environmental approach to the public, particularly tenants of the Investment Centre and their visitors.
 - Offers reliable, low maintenance technology.
- 5.3 An analysis by a specialist company, Procure Plus, has estimated that if there was a simulated energy price increase of 5% per annum then there would be a payback period for the proposed system of 7.7 years.

In summary:

Generation Output (kWh)	62,811kWh/year
Year 1 Electricity Savings	£8,402.39
	based on a day-rate electricity cost of 13.03p/kWh
Return on Investment	£279,462.17
Over 25 years	

- 5.4 From the outset the Investment Centre has sought to be a "leading edge" facility, championing sustainable development and adopting an environmentally friendly approach. PV installation would support this stance.

6.0 SUSTAINABILITY IMPLICATIONS

- 6.1 Implementation of the proposal will result in reduced dependency on the national electricity grid for the Investment Centre, reducing its carbon footprint and improving efficiencies while further positively demonstrating the Council's green

environmental approach and supporting its aspiration to be carbon neutral by 2030.

6.2 There is no significant impact on crime and disorder.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

7.1 According to the conditions attached to the funding secured for the development of the Investment Centre, any operational surplus generated must be ring fenced and held in a reserve account to be used for economic regeneration in the area. The expected financial cost of this project of £79,000 will therefore be met using existing resources from this ring fenced account.

7.2 As electricity costs are recovered from tenants through a service charge, the reduced electricity costs achieved from the installation will be passed onto tenants through reduced service charges. The benefit to the Council will come from making the IC more attractive to new tenants and retaining those presently in occupation.

8.0 RISK ASSESSMENT

8.1 This project presents not only the opportunity to improve service delivery but also to ensure that the Authority delivers one of its Corporate priorities with sustainable environmental benefits as identified.

8.2 Implementation of the project would benefit the Council's reputation as tenants are now showing growing interest in our green policies which are also becoming an increasingly important parameter for our conference clients when choosing a venue, particularly for other public sector organisations who score against green criteria.

8.3 Given predicted future increases in electricity prices the position if this project is not actioned will be such that either electricity costs will account for an increasingly larger percentage of the service charge levied on tenants to the detriment of other items now included or, alternatively, the service charge collected will need to rise significantly to cover the increase to the potential detriment of our offer in the marketplace and tenancy occupation rates.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

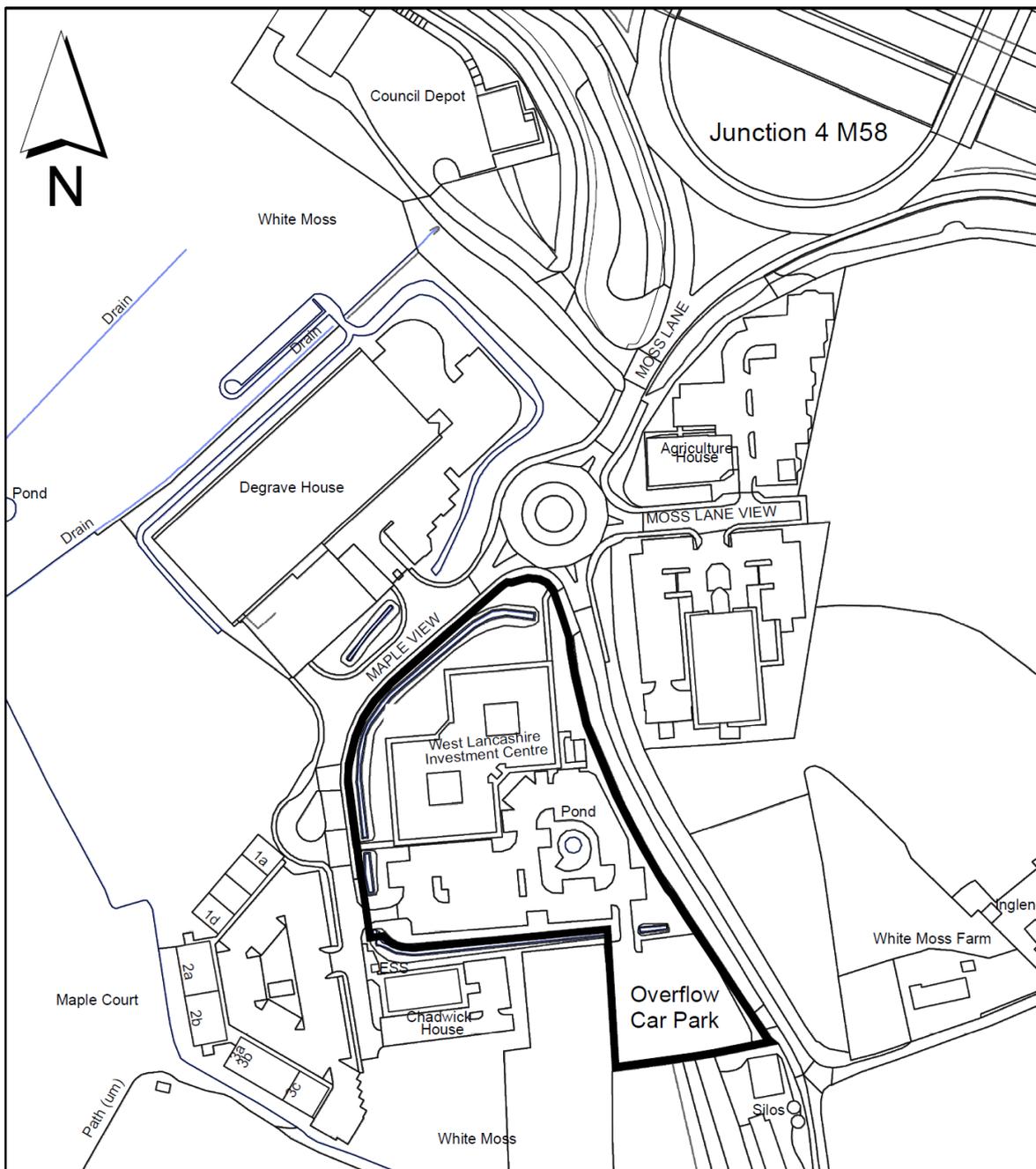
Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

Appendix 1 - Plan 1 showing site of West Lancashire Investment Centre.

PLAN 1



West Lancashire Borough Council

**WEST LANCASHIRE INVESTMENT CENTRE, MAPLE VIEW,
WHITE MOSS BUSINESS PARK, SKELMERSDALE, WN8 9TG
DEED C1006 LA735992 Area edged black 1.43 ha (3.52 acres)**