

**THE CABINET
31st October, 2011**

Present:- Councillor Stone (in the Chair); Councillors Akhtar, Doyle, Lakin, McNeely, Rushforth, R. S. Russell and Wyatt.

Apologies for absence were received from Councillors Hussain, Smith and Whelbourn.

C88 QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

C89 EXCLUSION OF THE PRESS AND PUBLIC

Resolved, that under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act (as amended March, 2006 (information relates to finance and business affairs).

[The Chairman authorised consideration of the following item in order to progress the matters referred to]

C90 YORKSHIRE AND HUMBER "JESSICA" FUND

The Leader introduced a report by the Strategic Director of Environment and Development Services, which the Council had been asked to join a partnership to develop a European Regional Development JESSICA Fund in Yorkshire and the Humber, specifically to form a South Yorkshire Urban Development Fund. This required the use of Council assets to generate match funding to draw down the European Regional Development Fund funds.

Further information was provided on the timescales for joining the project and the underlying benefit that this scheme proposed, which was a sustainable source of finance that could be used for future capital developments that might not be feasible for commercial finance, but would support the economic regeneration of the borough. Provided that the fund was successfully set up in a mutually beneficial way for all partners and that the fund could overcome the initial requirements to meet European Regional Development Fund eligibility criteria, this could be an opportunity for Rotherham to progress the local regeneration agenda.

Given the eligibility criteria Asset Management, together with the Regeneration Team, have undertaken a comprehensive assessment of Rotherham's land assets to select appropriate sites for inclusion in the fund. The report summarised the sites considered and their appropriateness to be included in the JESSICA.

The finance and risk and uncertainties associated with this Fund were set out in detail as part of the report.

Resolved:- That the Council participate in the scheme provided that the scheme could achieve a net benefit at least equal to the asset value donated.

(Councillor Stone declared a personal and prejudicial interest in the following item on the grounds that he had been approached by a company operating in the Photovoltaic Solar Panels market and they had put an outline proposition to him. Whilst the Leader had given no commitment on behalf of himself or the Council to any proposition as the company might ultimately submit a tender, the Leader indicated that he would have no further involvement in this item of Council business. The Leader left the meeting prior to discussion of the item)

(Councillor Akhtar assumed the Chair)

C91 INVITATION TO TENDER FOR THE INSTALLATION OF PHOTO VOLTAIC PANELS ON COUNCIL HOUSING

Councillor Akhtar, Deputy Leader, introduced a report by the Strategic Director of Neighbourhoods and Adult Services, which set out details of the proposal to install photovoltaic solar panels ("PV solar panels") on Council house roofs on a large scale. This had the potential to provide the Council with a revenue stream, in addition to low cost energy for the tenants and economic benefits in the long term.

Following initial analysis of the 21,000 Council houses there may be an opportunity to install panels on the roofs of 6,000 properties. If the Council committed to a PV solar panel installation programme it was critically important that it secured the most financially advantageous deal available.

Many local authorities were considering the potential for generating income through the Feed-in Tariff ("FIT") programme, however, few have so far committed on a large scale because of uncertainties. The Government was currently reviewing the Feed-in Tariff programme and it was anticipated that this would reduce. As yet, there were no reliable indications of the scale of that reduction and the Council needed to form a view about the pace it wished to proceed taking into account a thorough risk analysis.

This report, therefore, set out how the Feed-in Tariff worked, the potential income it could generate, three alternative delivery models, public procurement rules and the actions required to enable the Council to proceed with a large scale installation programme.

The finance and risk and uncertainties associated with this proposal were set out in detail as part of the report.

Cabinet Members asked a range of questions and sought further information on fuel poverty and energy efficiency models, maintenance and equipment lifespans, replacement of lost/damaged equipment, market testing, feed-in tariff changes, opportunities for the Council for a substantial income stream, analysis of the various options and opportunities to explore others, technological assumptions and a twin pronged approach and the need for the employment of an independent energy advisor to help the Council maximise the benefits of the installation programme and mitigate risk.

Resolved:- (1) That the in principle proposal for the installation of photovoltaic solar panels on Council houses and public buildings be approved with registration on the Government's Feed-in Tariff programme.

(2) That consultation take place with tenants to inform the final decision.

(3) That in accordance with contract standing orders, contractors be invited to submit tenders for a contract to affix under licence photovoltaic solar panels on council house roofs and public buildings in the borough comprised of:-

(a) one or more of three lots of 2000 properties (6000 properties in total),
or

(b) such other number of properties as the contractor may specify having regard to its ability and capacity to install the specified number,

provided that the Council may at its absolute discretion accept some or none of the submitted tenders.

(4) That the appointment of an energy expert to give specialist advice and analysis of alternative delivery models be approved.

(5) That the deployment of sufficient Council resources to enable the successful delivery of actions identified in the report be approved.