REPORT TO:	Executive Board
DATE:	19 October 2017
REPORTING OFFICER:	Chief Executive
PORTFOLIO:	Environmental Services
SUBJECT:	European Regional Development Funding (ERDF) Renewable Energy Scheme
WARDS:	Borough-wide

1.0 PURPOSE OF REPORT

1.1 To outline plans to develop a Solar Farm on the former St Michaels Golf Course and to consider the acceptance of ERDF funding towards the capital cost of the scheme.

2.0 RECOMMENDATION: That

1) the proposal to develop a Solar Farm on the former St Michaels Golf Course be approved;

2) subject to final confirmation from Department for Communities and Local Government (DCLG) the ERDF funding be accepted; and

3) the Council be recommended to amend the Capital Programme accordingly to provide 50% match fund for the project as required by ERDF.

3.0 SUPPORTING INFORMATION

3.1 The Council has been exploring the potential to develop a Solar Farm on part the former St Michaels Golf Course which lies to the south of the A562 Speke Road. A feasibility study and outline design have been completed which indicate the site is technically able to support a ground mounted solar PV development.

3.2 Pre planning application advice has been sought and this sets out matters that will need to be considered as planning permission is sought.

3.3 The Scheme proposes up to a 1MW Solar Farm (4000 panels) on a proportion of the former St Michaels Golf Course. This is a former landfill and the scheme will bring back into use a brownfield site and make use of a Council asset that is unsuitable for major development.

3.4 The Solar Farm will be connected to the Halton Stadium via a private wire. A proposal and budget costs for the connection has been provided by Scottish Power.

3.5 The system will produce between 850,000 and 950,000kwh per annum. The panels will have a lifetime of between 25 and 30 years. The energy generated by the Solar Farm will reduce CO2 emissions by 380 tonnes per annum.

3.6 It is estimated that the Stadium will use approximately 50% of the energy generated and this will significantly reduce the Stadium's running costs over the next 25-30 years. Options to use the surplus electricity at other Council facilities will be explored as part of the scheme.

3.7 If this is not feasible an income will be generated by putting the electricity back into the grid or selling it to a third party via a power purchase agreement. Battery Storage will also be considered as part of the development of the scheme.

4.0 FINANCIAL COSTS/ERDF

The capital costs of the scheme are estimated at £1.3m. As part of the development of the scheme the Council has submitted an application for EDRF to meet 50% of the costs of the Scheme. DCLG who administer the ERDF have not formally signed off the application but are in the final stages of preparing a funding agreement for the Council to approve. As part of the agreement the Council will need to provide the 50% match funding. It is intended to provide the match from the Capital Programme/Environmental Fund.

5.0 OFFSET COSTS AND INCOME GENERATION

5.1 The 50% of the energy used at the stadium will offset costs by approximately £40k in year one. This will continue for 25 -30 years and will increase overtime subject to energy price inflation which is estimated at between 3% and 6%.

5.2 The surplus energy put back into the grid will generate income of £18k per annum which will increase year on year subject to inflation estimated at 2%.

5.3 The maintenance costs of the Solar Farm will be approximately £10-15K per annum. Together with loan and interest repayments this will offset the income generated from the sale of electricity and the main benefit to the Council will be offset costs at the stadium.

6.0 POLICY IMPLICATIONS

Nationally the Government has set a target for the UK to reduce its Carbon Emission in the period 2028-2032 to 57pc below 1990 levels. The Council also set its own reduction targets and these are currently being met. The Council has reduced its emissions through a number of renewable energy schemes, reduced energy use in buildings and street lighting. This scheme will help contribute to further reductions.

7.0 FINANCIAL IMPLICATIONS

The Council will need to provide 50% match funding of £650,000 towards the capital costs of the scheme and this will be met from the Capital Programme/Environmental Fund.

The income generated from the sale of electricity will offset the annual operating costs of the scheme. There will be offset electricity costs for the Stadium for 25-30 years.

8.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

8.1 Children and Young People in Halton

None

8.2 Employment, Learning and Skills in Halton

None

8.3 A Healthy Halton

None

8.4 A Safer Halton

None

8.5 Halton's Urban Renewal

The Scheme will bring back into use a Council asset that has been unused for some years and is unsuitable for major development. It will contribute to the Council's targets to reduce carbon emissions and will demonstrate local leadership in promoting locally generated renewable energy, removing the reliance on traditional fossil based fuels.

The project will also act as a demonstrator project for the Liverpool City Region (LCR) and could provide a model to be replicated across the LCR on differing scales.

9.0 RISK ANALYSIS

A risk register for the scheme has been developed that puts in place control measures to mitigate against the main risks.

In developing the bid legal advice has been taken in relation to State Aid. This is in relation to the income that will be generated from the sale of electricity. It is considered that the scheme is compliant with the requirements of Article 48 of the General Block Exemptions. This means the scheme can be funded at 50% ERDF and does not require it to be notified or pre-approved by the EU.

10.0 EQUALITY AND DIVERSITY ISSUES

None.

11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.