


<p align="center">Individual Mayoral Decision Proforma</p> <p align="center">Decision Log No: <u>306</u></p>	 <p align="center">TOWER HAMLETS</p>
<p>Report of: Ann Sutcliffe, Corporate Director, Place</p>	<p>Classification: <div style="background-color: black; width: 50px; height: 15px; display: inline-block;"></div> Unrestricted</p>
<p>PV Project - Renewable Energy Generation to Council Assets: Approval to spend carbon offset contributions to meet key energy and sustainability targets</p>	

Is this a Key Decision?	No
Decision Notice Publication Date:	(Report author to state date of decision notice – either individual notice or within the Forward Plan)
General Exception or Urgency Notice published?	Not required
Restrictions:	Contract sum should not be in the public domain until it is published on the Contracts Finder
Reason for seeking an Individual Mayoral Decision:	The PV Project was approved at Asset Management and Capital Delivery Board on 20th June 22. The project is fully funded by carbon offsetting S106 agreements and is ring-fenced for carbon reduction projects. The intention was to include the budget in the August cabinet report, but this was pulled in favour of a full capital programme refresh report to be presented at cabinet Oct/Nov. The project is supported by a GLA grant of £45,000 for technical support and project management. The GLA grant is time sensitive with project completion by June 2023. To meet this June 2023 deadline, we have to undertake the procurement process in early October to allow contract award and delivery.

EXECUTIVE SUMMARY

The sustainable development team are proposing a £950,000 Photovoltaic (PV) project to council building that will increase the amount of renewable energy the council generates and is fully funded through carbon offsetting contributions. The delivery of the proposed project will help to tackle the existing building and play a key role in working towards delivering a Carbon Neutral Borough and responding to the Climate Emergency. The programme offers support across the borough to meet the challenge of energy price rises and an urgent delivery timeframe is required.

This PV project was approved at Asset Management and Capital Delivery Board on 20th June 22. See attached PID and meeting Minutes. The carbon offset project is fully funded by carbon offsetting S106 contributions and is

ring-fenced for carbon reduction projects. The intention was to continue process to Capital Strategy Board in July and then include the budget in the August cabinet report, but this was pulled in favour of a full capital programme refresh report to be presented at cabinet although the date for this is currently unknown.

It is important to continue delivery of the programme to offer assistance to save energy and reduce energy bills at this period of changing seasons and turbulent energy market.

The project to install Solar PV panels onto council offices and leisure centres is directly delivering a manifesto pledge to 'install green heating systems on our estates, including the use of solar panels'. The delivery of PV across our estates is a key action in delivering the councils carbon neutral aspirations and will have a significant financial benefit to the operating costs of the buildings through the on-site generation and use of renewable energy, instead of purchasing grid electricity.

There is a need for the support to be delivered at speed to ensure measures are in place and renewable electricity generation is prioritised before the current price caps come to an end in April 2023. The estimated cost savings for delivery of the Solar PV panels onto the identified buildings could be £300,000 per year from electricity generation (based on installation of 1,000kWp PV system). Through reducing energy requirements and reducing carbon emissions we will be demonstrating our commitment to becoming carbon neutral.

The Solar PV project is for £950,000 and to support this project, we are taking benefit of the GLAs Retrofit Accelerator Workplaces programme which provides a tendered and OJEU-compliant framework that is accessible to all London Boroughs to use to procure energy retrofit projects such as the installation of Solar PV.

The initial desk top study has identified a number of potential sites for installation of PV panels. These include:

- Jack Dash House
- Shadwell Centre
- Toby Club
- Toby Lane Depot Soanes Centre
- St Georges Town Hall
- The Hub, Victoria Park
- Ron Cain Pavillion, Victoria Park
- John Orwell Leisure Centre
- Mile End Park Leisure Centre
- Whitechapel Sports Centre
- Chrisp Streepe Idea Store
- Cubitt Town Library

Following the appointment of a contractor through the Retrofit Accelerator programme we will be able to undertake the investment grade proposals and produce detailed specification for delivery on to the sites. Where buildings are not deemed suitable for delivery of PV then alternative sites will be investigated.

To assist in the accelerated delivery of the project LBTH have been successful in securing a GLA grant for technical services and project management support including:

- Project management
- Investment grade proposal / design review
- Commissioning and acceptance

The GLA grant is time limited, and our successful grant awarded in June 2022 for spend within 12 Months. To take advantage of the GLA grant it is important to progress the PV procurement process in early October 2022. A key element of the GLA support is technical support for the design review of the investment grade proposals, which is essential to ensure appropriate technical specification is presented for the roofs, and something we are unable to provide in house. If the project is delayed LBTH would need to find an extra £45k to access the same level of technical support and review that we have been awarded from the GLA. There are also potentially reputational implications if we are not able to take full advantage of the GLA grant, which could impact on our future applications for support and funding.

Key considerations for delivering the initial PV project for £950,000 are:

- Energy crisis requires interventions at speed with estimated cost savings for delivery of the Solar PV panels onto the identified buildings could be £300,000 per year
- LEA/GLA £45,000 grant is time limited.
- Successful grant award in June 2022 for spend within 12 Months.
- Key element of the GLA support is technical support for the design review of the installations
- GLA Support is specific requirement of procurement as LBTH must ensure appropriate technical specification is presented for the roofs, and something we are unable to provide in house.
- Project delay would result in loss of valuable free support (LBTH would need to find an extra £45k to access the same level of technical support and review to meet procurement requirements).

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; **and other relevant matters are set out in the attached report.**

DECISION

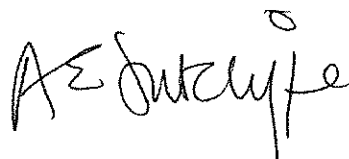
The Mayor is recommended to:

1. Approve a budget of £950,000 for the delivery of this part of the PV project
2. Note the proposed route to market for the expenditure for the supplies and works via the GLA Re:FIT framework
3. Authorise the Corporate Director Place to enter into such agreements as are necessary to give effect to Recommendation 1

APPROVALS

1. **(If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Mayor. I confirm that the Mayor and/or Lead Member have agreed to this decision being taken using this process.




Signed

..... Date 17 November 2022

2. **Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.



Signed

Date 18th November 2022

3. **Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-


(a) has been published in advance on the Council's Forward Plan OR

(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed Date 18th November
2022

4. Mayor

I agree the decision proposed in the recommendations above for the reasons set out in paragraph XX in the attached report.

Signed  Date 21/1/22