

Report for discussion

Report to	Sustainable development panel 25 January 2012
Report of	Director of regeneration and development
Subject	"PV 4 Free" – question to council

Item
4

Purpose

To consider a member's question and the response from the cabinet member for housing regarding the issue of "PV 4 Free" which was referred to the sustainable development panel by resolution of council at its meeting on 29 November 2011.

Recommendations

That members discuss the issue and agree a way forward.

Financial Consequences

There are no direct financial consequences arising from this report.

Strategic Priority and Outcome/Service Priorities

The report helps to meet the strategic priority to make Norwich a city with decent housing for all.

Contact Officers

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Background Documents

None

Report

Background

1. At its meeting on 29 November 2011, council resolved to refer the matter contained in the following question from Councillor Storie to Councillor MacDonald, the cabinet member for housing, to the sustainable development panel for consideration.
2. The question and response from Councillor MacDonald is set out below:

Councillor Jo Storie to the cabinet member for housing:-

“What impact will the recent government changes to the feed-in tariff have on our scheme to put photovoltaic panels on three thousand local authority properties?”

Councillor Victoria Macdonald, cabinet member for housing’s reply:-

“Within a matter of days of the council opening a tender for installation of solar panels on council dwellings the government issued a consultation document proposing a major reduction to the level of feed in tariffs payable. The consultation runs to the end of December but the changes will be introduced from mid December – effectively giving businesses only 6 weeks to revise their business plans. It was known that the tariff would be reduced from April 2012 but this surprise announcement has caused widespread uncertainty and some considerable anger for householders and suppliers alike. The city council is no exception.

The expectation is that the timing and scale of reduction in tariffs mean that “PV 4 Free” schemes (such as our proposal) will not be deliverable from a financial point of view. The supplier is still considering their position but unless there is a change of heart by the government then it is likely that they will be forced to withdraw their tender. Should this be the case and if the council is unable to find an alternative scheme that is financially viable then several thousand tenants will lose out on the opportunity of a measure that would have helped to reduce fuel poverty.

Across the country many social housing landlords are facing similar decisions and it is clear that a number of proposals have been abandoned. Many individual householders that had committed to the installation of solar panels are also reviewing their position. In turn many fledgling businesses have had to lay off staff in order to stay afloat or are indeed having to close down altogether.

There is serious concern about the soundness of the decision making process surrounding the consultation paper and particularly the decision to implement the key element (i.e. reduction in tariffs) before the consultation period has closed. As a consequence, a number of challenges to this process are being considered or are proposed. In view of the significant adverse impact on tenants Norwich city council has decided to join, as an interested party, a legal challenge being launched by the Friends of the Earth. One of the outcomes

being sought by the FoE is to delay the implementation date for a tariff change to April 2012. If successful this would enable the council to implement a scheme in the manner currently proposed. In joining this challenge as an interested party the council will have the benefit of a well organised challenge with limited direct involvement and minimal cost. “