

Report of: Head of Environmental Development

To: Executive Board

Date: 21st April 2008

Item No:

Title of Report : Renewable Energy project: Community-scale commercial wind turbines on OCC land - lease options

Summary and Recommendations

Purpose of report: Following EB approval of the 4th February and 17th March reports "Renewable Energy project: Community-scale commercial wind turbines on OCC land" authorising officers to continue negotiations with Partnerships for Renewables Ltd in respect of disposal of the four short-listed sites (Brasenose/Horspath, Sandford Brake, Cutteslowe and Chilswell). This report serves to present EB with information in order to take an informed view on signing lease options to continue more detailed site investigations on the proposed sites.

Key decision: Yes

Portfolio Holder: Cllr van Zyl

Scrutiny Responsibility: Environment

Ward(s) affected: All

Report Approved by

Portfolio Holder: Cllr van Zyl

Legal: Jeremy Thomas

Finance: Andy Collett

Policy Framework: To reduce carbon dioxide emissions associated with our own buildings and operations by 25% by 2010 (2005 baseline)– and 3% year on year after 2010/To reduce CO₂ emissions In Oxford City by at least 15% by 2010 (2005 baseline).

Recommendations: The Board (1) authorises Officers to negotiate satisfactory terms for the granting of the lease options for the 4sites identified in the report, ensuring that a market price is obtained, and (2) once terms are agreed requests a report back for Executive Board approval to the final negotiated terms.

Background

1. Oxford City Council's Corporate Plan (2007-2010) states that climate change is a key commitment and that it will promote energy and environmental resource management. If OCC can realise community scale wind energy developments on land it owns, then it will be one of the most advanced urban authorities in this regard. The recommendations of this report represent the next steps in the process of bringing community scale wind energy generation in Oxford to fruition.
2. Please refer to the EB reports of 4th February and 17th March "Renewable Energy project: Community-scale commercial wind turbines on OCC land" for full background to this project.
3. In summary, EB approved the 4th February and 17th March reports above authorising officers to continue negotiations with Partnerships for Renewables Ltd in respect of disposal of the four short-listed sites (Brasenose/Horspath, Sandford Brake, Cutteslowe and Chilswell) for siting of community-scale wind turbines on Council-owned land. (Note: the Brasenose site will be referred to as Shotover Hill following recommendation from Asset Management that this is a more precise description of location of the land packet concerned. The Brasenose/Horspath site has been counted as a single site in previous reports - as it is possible that the two turbines could be linked to one grid point as they are in close proximity.)
4. The proposed scale of this community wind development initiative is of the order of one or two turbines per site.

Planning Permission

5. It should be noted that PfR is most happy to agree lease options for any of the proposed sites without planning permission being in place or being implied. This is clearly a risk being borne by PfR. Planning consent is not a PfR condition of the lease option agreement taking effect.

Appraisal of proposed sites

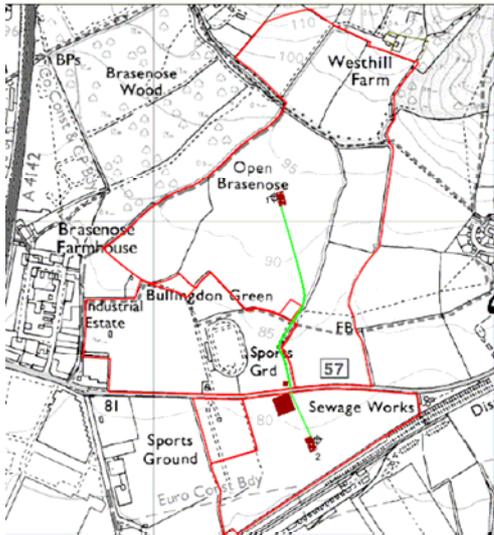
6. Detailed investigations with PfR and OCC officers have assessed all four sites regarding land-use and opportunity cost issues. The following outlines issues from Asset Management, Planning and Housing perspectives on all four sites:

Shotover Hill (Brasenose)

Business unit	Issues with lease option	notes
Asset Management	Shotover Hill - restrictive covenant of OPT on this land but not a show-stopper (resolvable issues with OPT). Land is open space. Current income from site: zero	
Planning	Land sits within SODC's administrative boundary.	
Housing	No housing development opportunity	
Environmental Development	None	

Horspath

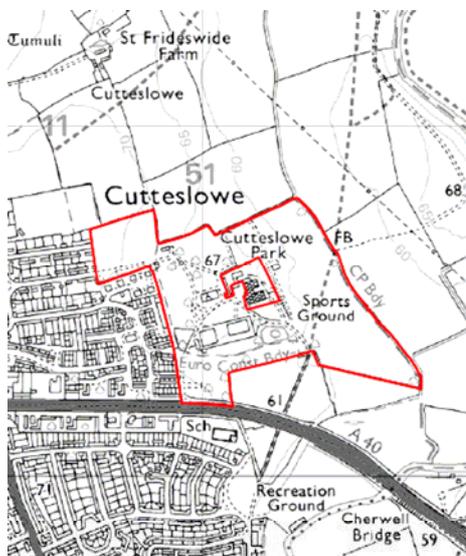
Business unit	Issues with lease option	notes
Asset Management	Horspath - some effect on the sports opportunity (required to allow the Rover Sports club to relocate & allow BMW to expand) but not a showstopper. Agricultural lease of site so earliest on site is Sept 2009. Current income from site: modest rent received from the site to be used - ca £100 per annum.	No significant issues – following allowance for sports ground on lease option map
Planning	Within OCC administrative boundary	
Housing	No development opportunity	
Environmental Development	None	Presence of Wind turbine compatible with sports grounds/facilities. Potential private wire link to BMW site for power generated.



Map above indicates general location of search area (exact land areas will be negotiated as part of the lease option arrangement). Shotover/Brasenose site area is to the north of the Sports ground. Horspath site is the triangle of land to the south of the Sports ground.

Cotteslowe

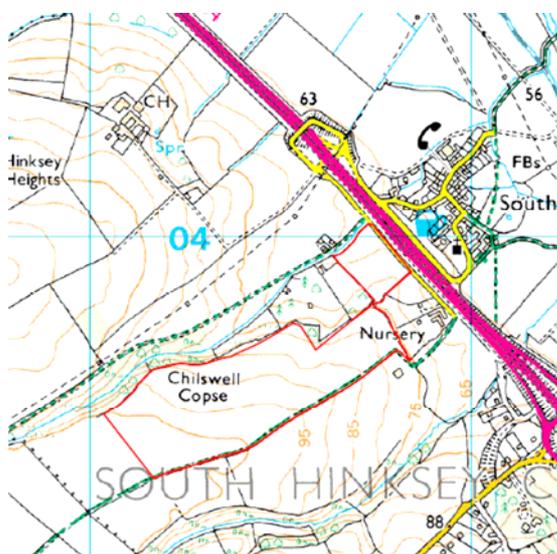
Business unit	Issues with lease option	notes
Asset Management	Cotteslowe No known issues. Current income from site: zero.	
Parks	Prefer location to allow for no loss of existing sports pitches.	
Planning	Within OCC's administrative boundary	
Housing	None	
Environmental Development	None	



Map above indicates general location of search area at Cutteslowe (exact land areas will be negotiated as part of the lease option arrangement).

Chilswell

Business unit	Issues with lease option	notes
Asset Management	No development opportunity. Current income from site: zero.	
Planning	Within Vale of White horse DC administrative boundary	
Housing	None	
Environmental Development	None	

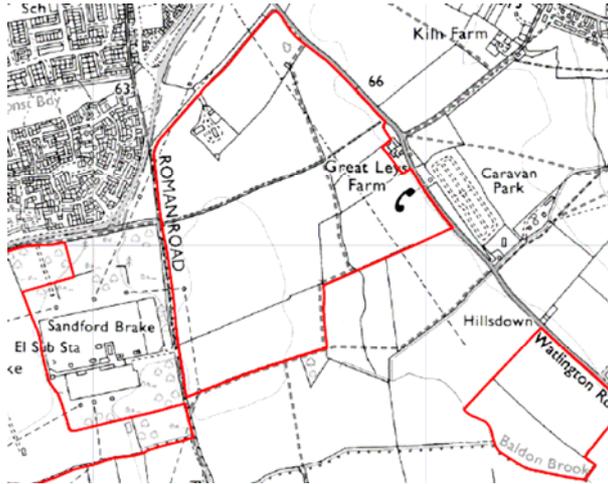


Map above indicates general location of search area at Chilswell (exact land areas will be negotiated as part of the lease option arrangement).

Sandford Brake

Business unit	Issues with lease option	notes
Asset Management	Agricultural land currently in use – can be vacated Sept 2009 earliest. Current income from site: about £900 per annum currently derived from the site.	Upon signing lease option – first phase of work would be largely desk based – so may not interfere with existing agricultural use – farmer

		could use land as normal.
Planning	<p>Within SODC administrative boundary.</p> <p>It is not possible to recommend that this site is included in the current proposal for the time being. This location is part of the area South of Grenoble Road that the City Council has been promoting as an urban extension through the process of the preparation of the South East Plan. Indeed should an urban extension be built here the clear intention would be that such development should have as low carbon use as possible. So in the right location a wind turbine to generate electricity for the new development would be almost essential.</p> <p>However, the Government is now saying that it will not publish its draft Modifications to the South East Plan until just before the summer recess (July). Therefore there remains uncertainty as to the scale of any urban extension or even whether the Government will support the Panel at all.</p>	
Housing	Sensible to defer as above	
Environmental Development	None	Could contribute to carbon neutrality of future development



Map above indicates general location of search area at Sandford Brake.

Procurement issues

Public Procurement Regulations

7. The granting of the lease options (or even any subsequent lease) amounts to neither the purchasing nor selling of works, supplies or services. Therefore, there are no procurement issues insofar as the Regulations are concerned. It is important, however, that in letting its land to PfR the Council can demonstrate that it has obtained a market price.

Value for Money

8. PfR works solely with the public sector and was established to provide a trusted partner for the substantial number of public sector bodies (PSBs) wanting to develop on-site renewables. PfR is wholly controlled by CTEL Ltd which is owned by the Carbon Trust which is fully funded by central government – and the CT board includes several public sector representatives (including Defra and DBERR representatives).
9. PfR has been specifically set up to use OJEU (Official Journal of the European Union) tender processes for all operations and technologies (i.e external consultants, civil engineering works and wind turbines themselves). PfR offers the power produced from any wind turbines installed into the open market for supply by any company and aims to pay the highest land rental payment of any wind development company.

Next steps

10. Officers will continue negotiations with PfR in respect of each of the four sites.

Recommendations

11. The Board (1) authorises Officers to negotiate satisfactory terms for the granting of the lease options for the four sites identified in the report, ensuring that a market price is obtained, and (2) once terms are agreed request a report back for Executive Board approval to the final negotiated terms.

Name and contact details of author: Paul Spencer, Climate Change Officer, Environmental Health, Ramsay House, tel. 01865 252238; e-mail: pspencer@oxford.gov.uk

Background papers: None