

REPORT TO COUNCIL

Date of Meeting: 9 December 2025

Report of: Strategic Director of Place

Title: Investment Approval for New Solar PV Sites

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 The report seeks borrowing approval for investment in six new solar Photo Voltaic (PV) installations on City Council owned buildings.
- 1.2 Feasibility work funded by the SW Net Zero Hub, enabled a full appraisal of corporate buildings, including essential surveys to conclude project viability and investment readiness at six sites.
- 1.3 A consolidated business case containing all development, borrowing and future maintenance costs.

2. Recommendations:

- 2.1 Council approves a budget of £1,029,500 for the installation of new solar PV arrays on City Council owned buildings.
- 2.2 Council notes, that the proposal in respect of Senate Court will be considered in the office relocation report at Council January 2026.

3. Reasons for the recommendation:

- 3.1 Renewable energy will cut carbon emissions emitted by City Council buildings and support the City Council to work towards Net Zero targets and deliver key corporate objectives. The generation of renewable energy provides added benefit, including reduced energy bills, long term income streams, and protection against energy price increases providing for sustainable council services.
- 3.2 The benefits of solar PV provide associated social value and wider benefits. The project demonstrates leadership, reduces carbon emissions and secures affordable clean and secure energy, in line with the strategic priorities set out in the Council's Corporate Plan.

4. What are the resource implications including non-financial resources:

- 4.1 The business case is a robust one, providing long term savings over at least a 25 year period, with a net saving for all six sites of £1,652,821. See Business Case within section 10 of this report.
- 4.2 Exeter City Council declared a Climate Emergency in 2019 and as part of this commitment, it aims to achieve net zero GHG emissions for its own activities. The new solar installations will reduce GHG emissions arising from the City Council's direct activities (termed Scope 2), as detailed in the recent Costed Organisational Carbon Footprint Projections Study and if not carried out this will not be achieved.

5. Section 151 Officer comments:

- 5.1 The business case and funding mechanisms have been checked and the section 151 Officer is satisfied that all potential costs have been taken into account. The net income / reduction in costs is after borrowing costs and an amount for maintenance have been taken into account.

6. What are the legal aspects?

- 6.1 All contracts for supplies, works and services must be let in compliance with the Council's Procurement and Contract Procedures and the Procurement Act 2023.

7. Monitoring Officer's comments:

- 7.1 This report raises no issues for the Monitoring Officer.

8. Equality Act 2010 (The Act)

- 8.1 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equality Impact Assessment has been included in the background papers for Member's attention.

9. Carbon Footprint (Environmental) Implications:

- 9.1 Renewable energy generation through the installation of solar PV arrays, delivers carbon savings as their output replaces alternative fossil fuel based energy sources.
- 9.2 The new solar installations will reduce GHG emissions arising from the City Council's direct activities (termed Scope 2) as identified in the recent Costed Organisational Carbon Footprint Projections Study.
- 9.3 Solar PV generation supports the Council's Net Zero ambition, reducing carbon emissions and providing for sustainable services. The project fulfils a key corporate priority at the City Council, it will reduce our own carbon emissions and provide leadership to the city's key partners, businesses, communities, to take action to mitigate and adapt to the impacts of climate change.

10. Report details:

- 10.1 The City Council owns a solar PV estate with a capacity of over 3.4MW, across 13 corporate buildings. The solar PV installations have successfully provided renewable

energy over several years, delivering long term carbon savings reduced energy bills, and additional income from the sale of surplus energy and existing Feed In Tarriff payments.

- 10.2 2024, a development grant was awarded by the SW Net Zero Hub, which allowed the Net Zero team to investigate additional solar PV potential across the City Council's corporate estate. A total of 11 buildings were identified and included in the study.
- 10.3 The grant provided for detailed feasibility, and extensive investigative surveys, allowing for installation and design solutions, overcoming problems that may otherwise have stopped delivery.
- 10.4 The feasibility work resulted in six City Council buildings being able to proceed to "investment readiness." The feasibility work also provides confidence, the additional work undertaken such as fire and roof condition surveys, protect the project from stalling at a later stage due to unexpected costs.
- 10.5 All of the six sites can be built and become operational in 2026. It will provide a total of 595 kWp of solar PV. The benefits are significant - buildings will avoid 106,072 CO2 emissions per year, with an annual saving of £99,132. The six sites include:
 - Exeter Arena Sports Centre
 - St Sidwell's Point Leisure Centre
 - Wonford Leisure Centre
 - Guildhall Car Park
 - Exeter Bus Station
 - The Senate Offices
- 10.6 The feasibility study has supported an innovative programme of new solar PV, by pulling together sites to provide a combined programme of installation. The Business Case set out below, combines five sites into a single project, the consolidated business case can deliver an acceptable Internal Rate of Return (IRR), with borderline projects able to be taken forward.
- 10.7 The Business case for the Senate Court Offices is separated from the combined programme, pending a Council decision. The total investment for the combined site project is £1,029,500 and single site (Senate Court) £284,000.
- 10.8 The project includes a PV array at a leased property, providing a renewable supply to Exeter Bus Station. The renewable energy will be sold to the Bus Station operator using a tested Power Purchase Agreement (PPA). The City Council supplies renewable energy from PV arrays at the Matford Centre, Quay Climb Centre and Watt Tyler House, where electricity is sold to leaseholders via a PPA.
- 10.9 Whilst more than half the sites included in the feasibility will proceed, the remaining five sites have benefited from extensive surveys undertaken. The sites were found to be technically viable but require further works to be done on the buildings, such as

replacement roofs, before installations can take place. These sites will be reviewed as and when necessary and following any change to the building.

10.10 The Solar PV Business Cases set out below include details of the array benefits, and additional costs, including debt repayment charges and future maintenance costs. The Business Case is a 25yr saving, the first-year saving is the net saving after costs / interest and debt repayment have been taken into account.

10.11 The Guildhall Carpark array includes canopy infrastructure and private wire installation costs reflected in the higher estimated capital cost.

10.12 The separate Business Case for Senate includes the estimated roof surface replacement price in the project capital cost. If approval is given for the investment in Senate Court, alternative funding may negate the need for borrowing at this site and remove debt repayment charges, resulting in an improved payback position.

10.13 Solar PV Business Case

Single site			INVESTMENT COSTS & BENEFITS					
Site *Includes new roof covering	System Size (kWp)	Generator Energy kWh/Year	CO2 Emission Avoided (kg/Year)	Payback Period Years/ Months	Estimated Capital Cost (£)	25 Yr Net Saving - Future Value (£)	IRR (%)	Total First Year Saving (£)
Senate Court	84.00	81,425	14,404	16.7	£284,000*	£166,723	3.55%	£16,121
Total	84.00	81,425	14,404	17.6	£284,000	£166,723		£16,121

Combined Sites			INVESTMENT COSTS & BENEFITS					
Site	System Size (kWp)	Generator Energy kWh/Year	CO2 Emission Avoided (kg/Year)	Payback Period Years/ Months	Estimated Capital Cost (£)	25 Yr Net Saving - Future Value (£)	IRR (%)	Total First Year Saving (£)
Exeter Arena	25.00	24,944	4,411	11.9	£45,000	£56,984	6.99%	£3,145
Bus Station	40.00	38,382	6,790	5.3	£36,000	£153,744	19.4%	£6,577
The Guildhall Carpark	321.00	330,214	58,436	13.9	£811,000	£730,005	5.31%	£51,852
St Sidwell's Point	83.00	80,507	14,242	5.7	£91,300	£405,444	18.55%	£16,318
Wonford Leisure Centre	42.00	44,027	7,789	7.2	£46,200	£139,920	14.04%	£5,119
Total	511.00	518,074	91,668	12.4	£1,029,500	£1,486,098		£83,011

11. How does the decision contribute to the Council's Corporate Plan?

11.1 This report and approval for investment in six new solar PV arrays links directly to the Exeter Vision and the City Council's Corporate Plan. The project demonstrates leadership, reduces carbon emissions and secures affordable clean and secure energy.

Exeter Vision	Innovative & Analytical City	A range of data sets are used to monitor City Council carbon emissions and solar PV generation.
	Healthy & Inclusive	Ensure City Council owned buildings have renewable energy sources and carbon reduction.
	The Most active city in the UK	The project includes solar PV arrays at three City leisure sites. Renewable energy provides added benefit, including reduced energy bills, long term income streams, and protection against energy price increases providing for sustainable council services.
	Accessible world- class education	Learnings from the grant funded feasibility study will be shared by the SWNZ Hub to share best practice and lessons learned.
	Liveable & connected	The project supports the local bus operator, to ensure the bus Station is sustainable and has reduced carbon emissions, operating to the best possible standard to reduce effects of climate change.
	A leading sustainable city	The City Council is a role model and demonstrator for solar PV and renewable initiatives.
	City of Culture	The Guildhall Car Park PV array has the potential to feed the RAMM and will support the decarbonisation of City Council owned buildings such as cultural and heritage facilities to support sustainable service provision.
Corporate Plan	Local Economy	Learnings from the grant funded feasibility study will be shared by the SWNZ Hub who work with Building Greater Exeter and Exeter College to support green skills and training and local employment opportunities.
	Sustainable Environment	Net Zero team focuses on reducing City Council GHG emissions to work towards Net Zero. Solar PV supports decarbonisation and energy bills,

		reducing service delivery costs and supporting sustainable council services.
	Homes	The project demonstrates good practice and leadership to communities. It will encourage residents to take action to mitigate the impacts of climate change and benefit from renewable energy.
	People	The solar PV at three leisure sites supports leisure services through provides a long term renewable energy supply, supporting sustainable and affordable facilities needed to ensure cooling and heating when severe weather conditions occur.

12. What risks are there and how can they be reduced?

- 12.1 The risk of construction cost exceeding predicted costs due to global price increases or availability of solar panels and other electrical infrastructure needed could delay or stop the project
- 12.2 District Operator Connection agreements can be affected by changes to the National Grid Network and can restrict or prohibit the size of an array.
- 12.3 Delivery of project on roofs can be affected by severe weather conditions, including heat and storms.

13. Are there any other options?

- 13.1 If the project does not continue, the City Council would not benefit from long term income streams and ability to reduce our GHG emissions arising from the City Council's direct activities (termed Scope 2) as identified in the recent Costed Organisational Carbon Footprint Projections Study. This would reverse progress made and inhibit the ability to achieve the Council's net zero ambition.

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Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None