

# Schools Solar Panel Installations position statement from Kent County Council



## **IMPORTANT NOTE**

If your school is still under the auspices of the Local Authority **you will need to** seek permission from Kent County Council, as the landlord, to install a photovoltaic (PV) system. Before proceeding you should consult with the School Finance Team and Property Services about your intentions.

If your school is an Academy you should abide by the legal terms of the lease agreement for the school and if necessary seek advice from Property Services

### **Overview**

There is considerable interest from schools about installing PV on school buildings to generate free electricity. KCC are aware that offers are being made by a range of companies to provide PV solutions and that understanding these offers and whether or not they represent value for money to schools can be daunting. In most cases these offers will require agreement by Kent County Council (KCC), as the effective landlord for the school, before schools are able to take up any offers. In the past a number of schools have been frustrated by KCC not providing the necessary permissions to enable their attempts to secure PV panels. To help schools avoid the pitfalls that may lead to that happening, and to provide some more general guidance, KCC has prepared this position statement.

### **KCC Position Statement – School Solar Installation**

KCC is broadly supportive of schools installing renewable energy such as solar PV panels as a mechanism to reduce the costs of providing electricity to the school and as a visible demonstration of our shared commitment to reducing the environmental impact of running the school estate. However, KCC will always encourage schools to improve their energy efficiency and to reduce energy consumption as a priority before considering alternative energy sources. Energy saving is a sustainable, cost effective, proven and reliable intervention that will contribute to the sustained reduction of carbon emissions and running costs across our school estate. For more advice on energy saving in schools please contact [Kent.Ecoschools@kent.gov.uk](mailto:Kent.Ecoschools@kent.gov.uk).

### **Feed-in-Tariffs**

PV panels have become cost-effective through the introduction of the Feed-in-Tariff (FiTs). FiTs is a mechanism by which the “owners” of installed PV panels receive payments for each kWh of electricity generated at an agreed price depending on the size of the PV panel system and the number of systems “owned” and the date on which the PV system was officially installed. These payments have reduced significantly in recent months and they will continue to fall in the future. However the price of PV panels has also fallen so the relative business case still has an attraction depending on the site. The FiTs payments are currently index linked and are paid for 20 years. The current FiTs payments can be found on the [DECC website](#).

In addition to the FiTs payments the occupiers of a building where a PV system is installed can use the electricity generated – and therefore reduce the electricity they have to buy from their supplier. The rates of return on investment for PV usually factor in both the FiTs payments and the value of the “free” electricity obtained from the system as well as any export payment which for systems below 30kW is usually estimated at 50% of the total generation capacity.

### **Routes to installation**

There are principally two financial routes for paying for the installation of PV systems: “Direct Purchase” or some form of “leasing arrangement” such as “rent a roof” for example.

### **Direct Purchase (KCC Preferred option)**

The school procures the installation of PV panels with a supplier. The school is then responsible for the maintenance and insurance of the panels. Some offers from suppliers may include maintenance contracts to replace parts of the system as and when this is required. For example PV systems require “inverters” to convert the electricity produced to an alternating current. These inverters have an anticipated useful life of 10 years while the panels have an expected useful life of 25 years. The cost of replacing inverters can be as much as £1,000. In these arrangements the FiTs payments are received by the school as well as the opportunity to utilise the electricity produced for free. There are a number of ways to secure the finance for such installations: from your own resources, from borrowing (subject to KCC financial controls) or securing finance through fund raising and donations such as Crowd funding and share ownership schemes

KCC recommends that any renewable energy installations on school sites should be owned by the school and that third-party ownership should be avoided. The main advantage of owning the installations is that the school retains all the income associated with the installation, including the generation Feed-In Tariff and export Feed-In Tariff, as well as enjoying reduced grid electricity consumption. In addition, this approach avoids having to lease or licence the use of school premises, or parts of them, to third parties (see below).

### **Leasing Arrangement**

Providers offer to install PV systems on a school’s roof for free, ‘rent a roof’ for e.g. The provider then receives the FiTs payments and the school will be able to utilise the electricity generated from the PV system. While some providers of this type of scheme will make no charge for the electricity produced there are now a number of schemes which will charge for the electricity consumed at a price normally below that charged through the main electricity supply.

Rent-a-roof type schemes often come with conditions which distribute the financial risks between the provider and user. For instance in some schemes there are compensation clauses which would mean that if the PV system had to be removed (for instance to repair the roof) then the school would be liable to compensate the provider for the loss in FiTs payments. If the panels have to be removed for even a relatively short period this could be significant. In addition, these contracts are normally for 25 years and compensation will be due if the panels need to be removed, for example the school building is replaced, removed.

Some of the key risks, which need to be considered in relation to any third-party solar generation scheme, are;

- Potential that the scheme involves an element of borrowing, in which case the terms and legal position need to be examined carefully by KCC legal

- Potential damage to persons or property and consequent liability – in particular, damage to the roof surface or structure;
- Need for adequate maintenance of panels (e.g. cleaning), fixings, cabling, inverter and any other equipment;
- Costs arising from end-of-life removal and making good of roof;
- Potential impact on ability to alter, repair, sell or demolish building;
- Potential impact on any warranties held;
- Terms of any lease/ licence, i.e. what rights are granted to the panel provider, for how long and what are the costs of any changes?

It should be stressed that not all of these risks are necessarily present in any given scheme, but they should all be considered and some are almost inherent in the involvement of a third party.

### **What to do if you want to install a PV system**

There are a number of things to consider before proceeding with securing the installation of a PV system. The three main requirements are;

#### **1. Gain consent from KCC - the landlord**

If your school is still under the auspices of the Local Authority you will need to seek permission from Kent County Council as the landlord to install a PV system. Before proceeding you should consult with Property Services about your intentions. KCC will offer advice and support to your school at every stage of the project. [Estateswork01@kent.gov.uk](mailto:Estateswork01@kent.gov.uk)

If your school is an Academy you should abide by the legal terms of the lease agreement for the school and if necessary seek advice from Property Services [Estateswork01@kent.gov.uk](mailto:Estateswork01@kent.gov.uk)

#### **2. Gain consent from KCC Legal**

If your school is still under the auspices of the Local Authority you will need to seek permission from Kent County Council legal team before proceeding further. This will ensure you are aware of the legal position of KCC and your proposals compliance to any KCC standing instructions.

#### **3. Assess the capability of the property to support a PV system**

It is important to ensure that the school building has the structure to physically support the PV system. Many installers will provide this service as part of the process, however, be aware most providers will not usually undertake a survey without some indication that they may get an order. In some cases providers offer to undertake a survey on the condition that the school will be invoiced for this should an order not be placed. It is therefore a requirement that before installation technical surveys are completed by qualified engineers and in the case of Local Authority maintained schools, Property Services will need to see this survey and any installation proposal before any system is procured and ordered. The school is ultimately responsible for ensuring an appropriate survey is completed. Advice on this is available from Property Services [PropEnqMail@kent.gov.uk](mailto:PropEnqMail@kent.gov.uk)

#### **4. Check on the requirement for planning permission**

In some circumstances planning permission will be required before PV systems are installed. For instance, if your school is in a conservation area you will need to secure planning permission. It is **always** advisable to check any requirements with the planning department.

In addition to the issues raised above schools should be aware of other general considerations when considering installing PVs:

- As a first step undertake or refer to an existing Energy Audit, such as the advisory report provided with your first Display Energy Certificate. This will identify the most appropriate investment to reduce energy consumption and a rule of thumb payback period for different proposals. KCC already carry out Energy Audits for a number of schools and you can check for their availability by contacting the KCC Sustainable Business & Communities team at [Kent.Ecoschools@kent.gov.uk](mailto:Kent.Ecoschools@kent.gov.uk)
- There may be increased maintenance requirements – for instance ensuring nearby trees are managed so that they do not reduce direct sunlight reaching the panels, cleaning the panels to remove debris such as leaves or dirt that will reduce the performance of the PV system.
- PV systems vary in quality and performance – so the cheapest panels do not necessarily represent the best value for money.
- You should only work with providers that have appropriate Micro-generation Certification Scheme (MCS) or equivalent accreditation. Information on MCS can be found at [www.microgenerationcertification.org](http://www.microgenerationcertification.org).

#### **Alternatives to Self Generation**

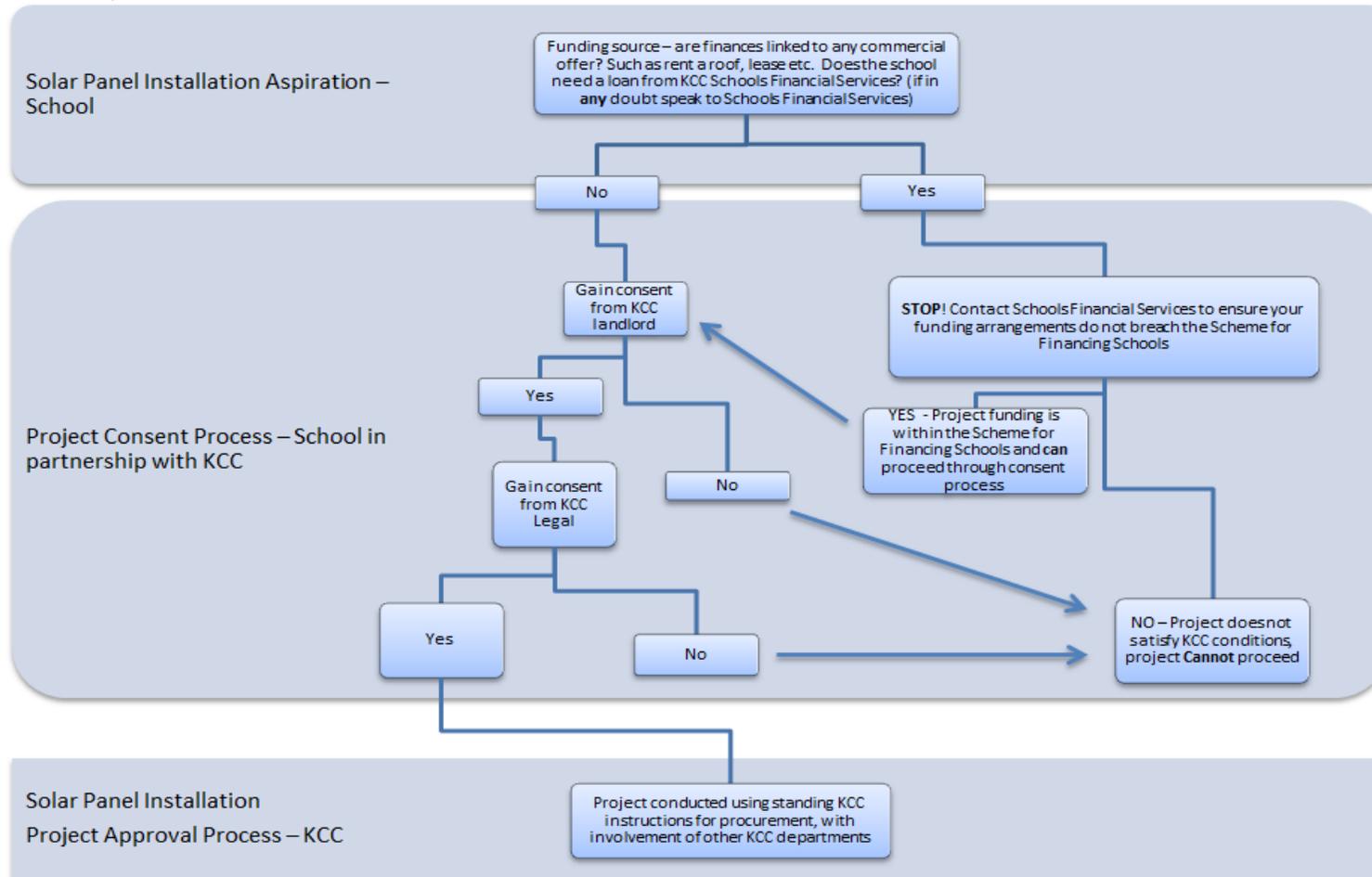
KCC is able to offer alternative routes to lowering carbon emissions and energy costs, through an extensive programme of energy efficiency measures for individual schools. The support provided includes assessment, project planning, and access to invest-to-save funding and evaluation for initiatives such as LED lighting.

This support will ensure that any schools will be able to benefit from long-term savings. For more information on this programme please contact the KCC Sustainable Business & Communities team at [Kent.Ecoschools@kent.gov.uk](mailto:Kent.Ecoschools@kent.gov.uk) for further details.

#### **IMPORTANT REMINDER**

- As part of the feasibility survey **you** must ensure that **your** roof integrity is assured
- Before progressing the feasibility study **you** must ensure you are compliant with KCC procurement, finance, property and legal standing instructions
- Before agreeing to enter into any scheme **you** must ensure that you seek appropriate legal advice

**Appendix A – Project Decision Process Flow Cart**



## Appendix B - Key questions to ask anyone offering a feed-in-tariff deal on solar PV

1. Have KCC legal team be contacted for advice?
2. Are the installers and product registered with the Microgeneration Certification Scheme (MCS) – if not you will **not** be eligible for FIT
3. Who's paying for the PV system? What is and isn't covered and what is the school expected to pay for?
4. Who gets;
  - a) The generation feed-in-tariff?
  - b) The export feed-in-tariff?
  - c) The 'free' electricity?
5. Is the exported electricity going to be measured or estimated?
6. Who owns the system, and does this relate to all of the components i.e. the meter, wires, inverter inside the building or just the PV panel etc on the roof?
7. What safeguards are in place to ensure that the system is installed in the most suitable place both in terms of performance (most sun) and structurally?
8. Who pays for maintenance and repairs e.g. if the DC/AC inverter fails after 5 years?  
Note: This will **not** be covered under class care or landlord liability so will be at schools or installers risk
9. Who is responsible for insuring the system, and against what? Should the school look to add this to their own buildings insurance?
10. Who is responsible if the system is vandalised or stolen?
11. Who is liable if the installation/operation results in damage to the school roof, buildings, pupils, staff and their property e.g. cars in the car park? What if the damage impacts on teaching and learning, e.g. will **your** insurance cover temporary accommodation?
12. What happens if in the future the school building is closed or used for another purpose?
13. Are you giving any performance guarantees for the system?
14. What happens if the system stops working and generating feed-in-tariffs for you – is that your risk?
15. Who pays for removing the system (and reinstallation as required) e.g.;
  - a) The school's roof needs repairing?
  - b) The system is damaged beyond repair?
  - c) The end of the contract/agreement period?

16. Who is responsible for addressing any planning issues or electricity distribution company notification requirements and who is liable for paying any associated costs?
17. Is the company in effect lending the school the money to install the system, either as a loan or a hire purchase deal? If this is case then the school **must** seek advice as this may be prohibited under the school finance regulations
18. What contractual penalties can the company levy upon the school, and in what circumstances?
19. Does the school need to let the buildings insurer know that this installation has taken place, impact on premium?
20. What happens if the company which owns the equipment ceases to exist or goes into liquidation?
21. What other schools have taken up this offer, are there any others in your area? Find out who they are and speak to them directly about their experiences.

#### **Appendix C - Further advice and contacts**

- To seek advice about KCC financial and procurement governance:  
[www.kelsi.org.uk/school-finance/schools-financial-services-team](http://www.kelsi.org.uk/school-finance/schools-financial-services-team)
- KCC legal team can offer support and advice on all legal and contractual matters:  
[www.kent.gov.uk/business/kent-legal-services](http://www.kent.gov.uk/business/kent-legal-services)
- KCC Property Group is able to offer advice on structural and roof condition surveys:  
[buildingmaintenance.enquiries@kent.gov.uk](mailto:buildingmaintenance.enquiries@kent.gov.uk)
- Some installations will require prior Planning Permission. For advice contact the KCC Planning Application Group:  
[planning.applications@kent.gov.uk](mailto:planning.applications@kent.gov.uk)
- Up to date information on FIT and RHI can be found by visiting:  
[www.energysavingtrust.org.uk](http://www.energysavingtrust.org.uk)
- For advice on landlord issues KCC Maintained schools can contact:  
[Estateswork01@kent.gov.uk](mailto:Estateswork01@kent.gov.uk)

For general energy advice for renewables or any other matter contact the KCC Sustainable Business & Communities team at [Kent.Ecoschools@kent.gov.uk](mailto:Kent.Ecoschools@kent.gov.uk)

- To check contractor credentials and those of the proposed system to ensure it qualifies for tariffs please visit:  
[www.microgenerationcertification.org](http://www.microgenerationcertification.org)