

BATH AND NORTH EAST SOMERSET

RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL

Monday, 29th September, 2014

Present:- Councillors Colin Barrett, Paul Myers, Nigel Roberts, Robin Moss (Chair) (In place of John Bull), Rob Appleyard (In place of Roger Symonds), Tim Warren (In place of Charles Gerrish) and Francine Haeberling (In place of Barry Macrae)

Also in attendance: Cabinet Member for Community Resources – Councillor David Bellotti; Council Leader – Councillor Paul Crossley and Councillor Liz Richardson – Lead Call-in Councillor.

38 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

39 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

40 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor John Bull (Chairman) sent his apologies and was substituted by Councillor Robin Moss.

Councillor Roger Symonds (Vice Chair) sent his apologies and was substituted by Councillor Rob Appleyard.

Councillor Charles Gerrish sent his apologies and was substituted by Councillor Tim Warren.

Councillor Barry Macrae sent his apologies and was substituted by Councillor Francine Haeberling.

41 DECLARATIONS OF INTEREST

There were none.

42 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

43 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF

THIS MEETING

Statements and questions received are included under item 7.

44 POLICY LOAN OF £500K IN WILMINGTON FARM SOLAR ARRAY

Statement from Lead Call-in member – Councillor Liz Richardson (a copy of the full text of this presentation is held on the minute book)

Councillor Richardson explained that the call-in is not about objecting to a solar energy farm but only whether the loan is a wise and prudent use of tax payers money. She outlined the three main reasons for calling in the decision:

- Why was the due diligence not completed before the decision was made?
- Why were other options not considered for the use of this money?
- Why are there no figures on how many 'green jobs' will actually be created from this allocation from the fund?

She added that she felt that more information is required on this and urged the Panel to uphold the Call-in.

Questions from the Panel to the Lead Call-in Member

Councillor Nigel Roberts asked if the Lead Call-in member had put the questions to the relevant officers including the 151 officer. Councillor Richardson explained that she had but did not get the answer to all of her questions.

Statement from Cabinet Member for Community Resources – Councillor David Bellotti (a copy of the full text of this presentation is held on the minute book)

Councillor Bellotti stated that The Green Investment & Jobs Fund (£1m) was approved by Council in February 2014 and pointed to the Council's renewable energy targets and policies. He explained that this decision had been made subject to due diligence as is usual Council practice. He stated that he felt the loan represents a reasonable and prudent investment. Councillor Bellotti gave examples of other authorities lending at 5% which compared favourably with the loan to BWCE (Bath & West Community Energy) and also to the Government encouraging Local Authorities to borrow from the public loan works board to fund energy projects. He went on to report that the due diligence had now been completed and that PWC (Price WaterHouse Cooper) had judged the business case as reasonable and Arlinghouse had approved.

Questions from the Panel to the Cabinet Member

Councillor Francine Haerberling asked if it is right for the Council to invest money when a number of Councillors are investors in the project. Councillor Bellotti replied that it is a business decision. He further explained that he is not an investor in this company but had contributed to other bodies and would hope that this would not preclude him from supporting them in other ways.

Councillor Barrett asked who made the first approach regarding the loan and if the Council are committed to further investment. Councillor Bellotti explained that a co-operation agreement was signed in 2011 between the Council and BWCE and this proposal had come up as a result of this agreement. He further explained that there was still £500k in the budget and no further commitments.

Councillor Tim Warren asked how many local jobs would be provided as a result of the project. Councillor Bellotti explained that the £1m approved by Council was for green investment as well as jobs. He explained that the local farm needs to diversify like other farms and this project would provide many more years of business securing all the jobs there currently. Also jobs in manufacturing would be provided. Councillor Warren asked how many agricultural jobs will be lost due to the land not being cultivated, he also stated that he did not think sheep could still graze the land among the panels. Councillor Bellotti explained that he had observed solar farms in Cornwall with sheep grazing.

Councillor Warren asked if any alternatives have been considered. Councillor Bellotti responded that a co-operation agreement exists with BWCE and he is unaware of anyone else who has formed a company such as this, they are unique in that profits are put back into the community.

Councillor Warren asked about the life of solar panels. Councillor Bellotti explained that they have a residual value and the Council would have first call upon them. On taking advice from the 151 officer, he further explained that if the company folds, the Council would step in and take over the project.

Councillor Warren stated that, as the due diligence report had been received on Thursday 25th September, this was outside the call-in period. Councillor Moss noted that there was an issue with the timetable for the call-in and the due diligence deadlines.

Councillor Myers asked if there were any other options to spend the green fund. Councillor Bellotti explained that there are very few choices for the Council to invest in energy, if individual households are invested in, the number of residents who would benefit from this would fall well below that of the project with BWCE. He explained that BWCE is the only community interest based company in Bath and North East Somerset and if any other such companies came up, he would look at it. He added that the £1m in the Capital Programme approved in this area cannot be used for revenue projects such as toilets.

Councillor Myers asked if the Council is making the loan because it wishes to or because the project could not go ahead without the loan. Councillor Bellotti explained that BWCE is a local Community Benefit Company with many local shareholders who are our residents. He stated that the Council was only putting forward 20% of the project costs.

Statement from the Council Leader – Councillor Paul Crossley

Councillor Crossley explained that the £1m budget for green investment fits in with a number of Council strategies and is also about community engagement. He explained that he has no shares in BWCE but thinks it is a good model. He explained

how it had been exhilarating to see people at the share offer launches and explained that the Council and investors will get their money back. He further explained that BWCE is rated as the best energy company in the Country. He stated that he had no problem answering questions on the decision but hoped that the Panel dismiss the call-in.

Questions from the Panel to the Leader

Councillor Warren stated that the decision papers are thin and there is not much information in them. Councillor Crossley stated that he did not agree and he felt they had all the information they needed to make the decision.

Councillor Haerberling stated that a number of elected members would gain due to this investment by the Council and she feels uncomfortable with this. Councillor Crossley stated that he took a counter view, he is delighted that some Councillors have invested, we all invest in the pension fund and this is the same model. He stated that he felt there is no conflict, there is a cooperation agreement, it is all above board and we should be celebrating. The Chairman Councillor Moss reminded all present that any Councillors with financial interests in BWCE have withdrawn from the Panel meeting today and arranged for substitute members to sit on the Panel. He confirmed that the Panel members considering this call-in have no investments in BWCE.

Councillor Barrett stated that if the project is due to start in December, where is the democracy. Councillor Crossley responded that democracy is all around this decision, the Council approved the budget, it is in line with Council policies on which there has been wide discussion. He stated that the loan is based on democratic decisions at all stages. The Chairman Councillor Moss added that the fact that the Panel is hearing the call-in shows that the democratic process is working.

Councillor Myers stated that it is his job as a scrutiny panel member to ask questions. He asked if the statement that BWCE is the best in the country is an opinion or an official status. Councillor Crossley explained that the company had won 'Best Performing Energy Company' at the Community Organisations Awards this year which is country wide.

Items from the Public and Councillors

William Hobhouse *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Hobhouse made a statement in support of the loan and urged the Panel to dismiss the call in.

Nicolette Boater *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Ms Boater made a statement supporting the call-in process on this decision.

Pete Capener – Chair of Bath and West Community Energy *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Capener made a statement providing some background on BWCE and supporting the approval of the loan.

Panel members asked the following questions:

Councillor Warren stated that he was not against BWCE, he asked how many permanent local jobs were involved. Mr Capener responded that he employs 3-4 full time equivalents, the project would safeguard these jobs and grow.

Councillor Warren asked what banks had been approached. Mr Capener explained he had been to a number of banks.

Councillor Warren asked how the community would benefit from the project. Mr Capener responded that the Council will receive good commercial return and a surplus which could go into Council revenue projects.

Councillor Warren asked what the £700k would be used for. Councillor Crossley responded that discussions had been started about how the fund will be allocated.

Councillor Barrett asked if Curo had been approached. Councillor Crossley explained the 'Energy at Home Programme'.

Philip Haile *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Haile made a statement stating that he felt the scrutiny on the decision was not unreasonable but that he felt the decision should not be delayed.

Nick Francis *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Francis made a statement about the decision of his church to disinvest in any companies involved in fossil fuel extraction and take up investments in renewable energy. He urged the panel to dismiss the call-in.

Councillor David Martin *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Councillor Martin made a statement supporting the loan and stating that he felt the call-in request had been satisfactorily answered. He urged to panel to dismiss the call-in so that the project can proceed in a timely manner.

Mr WR Cudlipp *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Cudlipp asked some questions and the Chairman referred to the circulated answers.

The Chairman referred to another set of questions (from Helen Dudden) and answers circulated.

The Chair announced a 10 minute adjournment.

When the Panel reconvened, the Chairman asked Panel members if they had any further comments or questions before the closing statements.

Councillor Tim Warren stated that he had found the meeting to be very informative, although he had had some concerns with the process. He stated that he felt BWCE are a good company and he did not want to delay the project. He proposed that the call-in be dismissed and that a report be sent for information to the November (2014) Council meeting. Councillor Francine Haerberling seconded the proposal.

Closing statement – Cabinet Member for Community Resources

Councillor Bellotti explained that he has been happy to provide information at this meeting and is grateful to the Conservative group for not holding up the implementation of the decision. He referred again to the budget of £1m being agreed by Council and relevant Council policies. He noted other Council's lending at lower rates of interest and also the Government policy on green energy projects. He concluded that he had made the decision based on a business and finance point of view and was happy to provide more information. He stated that he is grateful that the call-in is likely to be dismissed.

Closing statement – Lead Call-in Councillor

Councillor Richardson thanked all present and welcomed the open and democratic discussion. She stated that it would have been useful to have had more information before today as there had been a lot of unanswered questions. She concluded that the majority of questions had been answered and was comfortable with the call-in being dismissed.

The Chair stated that each panel member would be given 3 minutes to make comments and indicate their decision:

Councillor Warren stated that his one concern is the due diligence period and the call-in timeline. He stated that he had not once wanted to stop the solar farm being built.

Councillor Nigel Roberts stated that he is in favour of dismissing the call-in. He thanked all who contributed.

Councillor Haerberling stated that she was grateful that this discussion had been had in public and now that all the information is available, there is cross party agreement. She added that she remained concerned that some Councillors will be benefitting from this decision.

Councillor Barrett stated that he felt the call-in had been essential and given the opportunity to debate and come to the right answer.

Councillor Myers stated that he felt some concerns over the process and stated that the call-in had been an education.

Councillor Appleyard stated that the call-in had been a useful exercise. He stated that Councillors can get information from officers and Cabinet Members outside of meetings. He added that the Council had a strong 'Declarations of Interest' regime and that it is up to individual Councillors to declare their interests.

The Chairman Councillor Moss stated that there had been interesting debate and a balance is needed between this process and the need to make timely decisions. He explained that a report to Council will mean information heard today will be disseminated. He agreed that Councillors can speak to officers outside of meetings but noted that members of the public cannot always do that. He stated that he would be concerned if Councillors could not invest for example in Credit Unions. He asked if the system is right in that the call-in process is not always in line with due diligence processes. He added that this green project is a good use of £500k.

Decision

On a recommendation from Councillor Tim Warren, seconded by Councillor Francine Haerberling, it was agreed to:

- 1. Dismiss the call-in (the decision shall then take effect immediately); and**
- 2. Report to Council (November 2014) on the Panel's deliberations and decision (Information Only report).**

The meeting ended at 12.15 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services

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Resources Policy Development & Scrutiny Panel
Call-In of decision E2692 Policy Loan Wilmington Farm Solar
Array

29th September 2014

Submissions circulated to the Panel (note these statements
were not made at the Panel meeting)

I would like to voice my support for the B&NES Council proposal to make a £500,000 loan towards construction costs of the Wilmington Farm Solar Array.

The recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme. This project would increase by a third B&NES's renewable electricity capacity.

The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment.

The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development. As a result the project will be able to offer local people the opportunity to invest in local energy generation.

In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES.

Regards,

Richard Hil

As a local project this will add not only economic community benefit of £700K over the next 20 years, but add real sustainable change to our region, now. This for me is the main reason to invest. As a parent, it is vital to be providing sustainable energy for my future generations, and for our communities future. The Banes core strategy has the overarching theme to address climate change - this is a great opportunity to increase Banes renewable energy by a third.

As a small investor it is a great chance for myself to continue to support this community owned project, to receive a good return and benefit my local community. BWCE have an excellent track record of completing projects and paying the percentages they forecast. I understand the loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment. BWCE continue to lead the field in the UK in community run, renewable energy organisations.

I hope you will look to support BWCE and this investment under the Green Investment & Jobs fund.

Liz Clarke

I'm extremely concerned at the "Call In" that has been placed on the Wilmington Farm Solar Array project. This smacks of political games against a community

process made by people genuinely concerned about Climate Change. Furthermore the people who are backing this investment are not only local people, they are local people who are concerned about the welfare of future generations.

Moreover, the proposed support from the local council fits in with the council's core strategy whereby addressing climate change has become an overarching policy.

Do these objectors have a real valid case, or is this just another example of NIMBY-ism?

This investment is made by the community and for the community. It is a community owned asset. This is an example of people taking control of their destiny; and it offers a payback over the period of the life of the project.

Recently our Prime Minister urged people to buy local (<http://www.bbc.co.uk/news/uk-wales-mid-wales-28393432>). Isn't this scheme an example of people producing clean energy locally & thus creating a "local supply", rather than sourcing dirty energy from distant places which have dubious/unstable political status? Wouldn't David Cameron applaud this effort as part of the "Big Society" that he promoted back in 2010?

We've just witnessed the power of the British Democratic Process in Scotland where large numbers of people voted, of their own free will, to effect their destiny. Let's continue to back the efforts of local people to control their destiny.

In the case of the Wilmington Farm Solar Array, large numbers of local people have effectively invested in something that will benefit the local community.

I urge the Council to agree to the loan for this forward looking investment.

Yours etc

Steve Cross

Please circulate this to the Resources Policy Development and Scrutiny Panel.

I wish to endorse the council's decision to support this important project which will boost B&NES' renewable electricity output by one third.

At the same time, I object to the call-in, which is hard to understand when there is the promise of a 6.5% return on the investment.

Turning the project over to the commercial sector is a non-starter. The banks refuse to fund projects under 2-3 million pounds.

The beauty of the project is the community impact. Not only will it provide green energy for the area, but it will generate funds for further projects, benefit investors and fulfil B&NES Core Strategy aims.

What's not to love?

Lin Patterson

It was with considerable surprise and dismay that I learned of the "call in" of funding as above.

I have been a member of BWCE for nearly 3 years having invested in their first share offer (along with many other local people). The ethos of the organization is a beacon to those who are concerned about global warming, community and their investment returns. My investment has performed consistently well, as predicted at the outset.

Funds are accumulating (part of the scheme) for local projects associated with fuel poverty and climate change. This year, over 20,000 pounds and last year 4,800. Future years will see increasing amounts made available for these purposes.

It is anticipated that the Wilmington project will create approximately £700,000 of community benefit over the 25 year life of the project.

All installation and maintenance works for BWCE projects are, where possible, carried out by local companies creating further economic benefit locally.

These factors would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes.

The proposed loan from the council will give BANES a commercial return on their investment. Other loan providers have been investigated but the banks operate with a minimum of 2 - 3 million pounds for financing this sort of project. It may be of interest to know that the 2011 project secured 1 million pounds of loan funding from Scottish and Southern Energy.

The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

I would strongly urge you to reconsider calling in this loan. If granted it would:

1. Conform with the recently adopted Core Strategy for B&NES which makes addressing climate change an overarching theme. This project would increase by a third B&NES's renewable electricity capacity.
2. Help to ensure that the project is built as a community owned asset, instead of a commercial development.
3. Consolidate a project which will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.
4. Give BANES a decent return for their investment/loan.

5. Show the wider community BANES' direct commitment to positive engagement with sustainability.

As the President of the World Bank, Robert Zoellick advised, "Climate change policies cannot be the frosting on the cake of development; they must be baked into the recipe of growth and social development."

Please, call off the call in.

Yours sincerely, W Martin.

**AN URGENT APPEAL TO SUPPORT THIS CRITICALLY IMPORTANT
COMMUNITY BASED PROJECT - 22/09/14**

The Wilmington Solar Array project will increase B&NES's renewable electricity capacity by a third and make a positive step in addressing climate change - an overarching theme of B&NES' current Core Strategy.

This offer of a loan will help ensure that the project is built as a community owned asset and will be secured against an asset worth £2.6 million. The Council will receive an annual interest of 6.5% on their investment.

The Wilmington Solar project is offering local citizens the opportunity to invest in local energy generation whilst receiving a respectable return on their money.

This 'call in' asks why BWCE does not seek a commercial bank loan but banks will only offer finance for projects in excess of £2-3 million. As a community-owned asset the £500,000 loan will help create some £700,000 of community benefit over the next 25 years which can be spent on much needed low carbon and fuel poverty projects. This additional benefit will leverage the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to any putative bank sponsored commercial scheme.

Finally, the loan will increase the chances of a successful local community owned project while strengthening Bath & West Community Energy, a national award winning community enterprise.

Paul Stansall

Moira Young

To whom it may concern,

I am 16, I am too young to vote and maybe my age means that you don't wish to hear my opinion. But I do care about the future of our planet (and I do want to make some money).

We have an Environmental Action Group at school and we try what we can protect the environment. I know B&NES does a lot to protect the environment and that is why I was so shocked to hear that you were thinking again about your loan to the BWCE.

I have closely studied the materials on BWCE as I consider investing. The minimum investment is £500 - that is about 75% of my net worth and you will appreciate how close I have looked at the scheme. To me, in summary, the scheme offers a fair return (7% much higher than I get on my Barclays Saver), low risk (backed by lots of assets), and the customer is in effect the government so will be sure to pay. In addition, the investment is ethical, and any surplus over my 7% is distributed around our region to good causes. You could ask why the council should lend the money not a bank. To me that is like asking why a library is run by the council and not by Waterstones. Sometimes the council is the best for the job.

I am going to invest and so I cannot understand why you are having doubts. By this low risk lending to BWCE you increase the local green generation of electricity by a third, you get a return on your money, people will get a job building and then looking after the array, and you do good. How can you not want to do that? PLEASE SUPPORT THE LOAN.

James Brennan

Dear Sirs,

I understand that a proposed loan from B&NES Council of £500,000 to go towards the construction costs of the Wilmington Farm Solar Array has been called in. I must strongly express my dismay and opposition to this short sighted proposal.

As I understand it, BANES Core Strategy makes addressing climate change an overarching theme. This project would increase by a third B&NESs renewable electricity capacity.

The loan of £500,000 will be secured against an asset worth 6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment. The loan makes both environmental and financial sense.

Previous BWCE schemes have provided an impressive track record in this regard and represented secure and democratic community interests.

You have queried why BWCE do not have a commercial bank loan. I find this suggestion naive and irresponsible! Banks will only offer project finance over 2-3 million. To borrow this amount would be a misuse of community finance and unnecessary.

The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development. Surely this is exactly what our Coyncil should be applauding and supporting in their electoral area?!

The project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes.

The previously agreed loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

Please reconsider this action !

Yours faithfully,

Sharon Alcock

I was surprised to see that the loan to BWCE has been called in for further deliberation and that a number of councillor are objecting to the loan.

The building of a solar array at Wilmington is a scheme completely in line with the my wishes and B&NES's stated goals for to have a more carbon free future. BWCE is just the kind of local collective that should be supported by the local council. The loan offers a real return to the council of (I guess) approximately 2~2.5% over the cost of borrowing, is backed by hard assets worth over £2.5mn and the income stream is guaranteed by government. In addition, it provides some direct employment and any surplus profits are being put in a a pot to benefit the local B&NES community. The loan could provide hundred of thousands of pounds to good causes over the next decades. By loaning the funds, B&NES is supporting a positive initiative backed by predominately local investors. BWCE is a model to other schemes and the support of B&NES's reflects well on the council.

I look at a lot of investments in my day job. This isn't high risk, it is is a low risk loan; asset backed with an income stream from central government. I ask you to approve the loan.

Martin Brennan

This is a very important issue and at the time of a major Climate Change conference should be taken very seriously.

Your recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme. This project would increase by a third B&NES's renewable electricity capacity.

The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment.

The call in asks why BWCE doesn't have a commercial bank loan – we have tried to secure commercial debt but banks will only offer project finance over £2-3 million.

The local authority loan would be helping to ensure that the project is built as a community owned asset, instead of a commercial development and the project will then be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes.

The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result. As you know BWCE is a model project now being adopted by other areas. Please reverse your decision.

Yours sincerely

Helen Kendall

Like many others, I am a small private investor in BWCE, an amazing community energy organisation that has already helped to get solar panels onto schools in and around Bath, cutting their bills and providing an excellent example of community energy in action. I understand that you have "called in" a possible loan to the new solar project at Wilmington. I urge you to go ahead with this loan, which is such a positive local project.

This project would increase by a third B&NES's renewable electricity capacity.

The loan of £500,000 will receive an annual interest of 6.5%, a commercial return on your investment.

The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development.

As a result the project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes.

The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

Thanks and regards,

Jeremy

I am both a resident of B&NES and a member of Bath and West Community Energy, and I would like to state how strongly I support the idea of the first lending some money to the second.

Climate change is an overarching concern of the Council - and indeed of everyone. If we are going to fry the planet why bother about anything else. The Wilmington Farm project would increase by 1/3 the renewable energy capacity in B&NES, the loan would be secured against assets of £2.6m - it won't be lost - and will earn the Council, and thereby the local community, interest of 6.5%.

Commercial banks are not interested in loans of this kind below £2-3m, and BWCE wants only £500,000. And why should it be desirable for the interest earned on the loan to go to the banking sector rather than accrue for the use of the local community?

Also this loan would be helping to create, over the 25 year life of the project, a sum of about £700,000 for the community fund that has been set up to fund local community low carbon projects and fuel poverty projects. This will greatly increase the social impact of the loan to the benefit the local area.

Susanna Kendall

Dear BANES Council

I am writing to add my voice to the request that you revoke 'calling-in' the loan of £500,000 previously agreed with BWCE.

To me, BWCE reflects all that we are trying to achieve in turning local community concerns and expertise into meaningful action. What this group has already achieved is phenomenal, proving that the company, with its positive social values and engagement with the wider BANES community, and significant contribution to our local sustainability agenda, can also be a commercial success. I have never been to such dynamic and inspiring meetings as those arranged by BWCE to talk about their plans and achievements - who else gives local people the opportunity to invest small amounts of their savings in local initiatives, and then monitor how their investments are going through a website allowing us to look at the energy production of its different solar panel sites etc. The projects this company sets up are more than solely investments, or solely means of generating green energy locally (although these are important enough), they have also inspired local people to get involved, learn about these issues, and believe that community action is worthwhile.

I do not see how providing a loan - which past performance of this company demonstrates is very low risk (and providing a very reasonable rate of return for the council) - can be deemed misuse of council funds. It is clear that to have got this far, the scheme has support from many members of the council; as BWCE have made clear, the loan would help create significant (£700,000 worth) of community benefit, help to develop low carbon and fuel poverty projects which clearly align with council concerns and priorities, will create local jobs, and engage local people in energy efficiency ideas, entrepreneurship and getting involved in their community.

So I would urge you to reconsider revoking this agreed load, so prevents the long-term benefit of ensuring that the project remains a community owned asset, rather than further lining the pockets of commercial companies.

BWCE cannot obtain this through standard bank loans, and it would be a real travesty to see this reversal put such a positive scheme under threat.

Yours sincerely

Fiona Gillison

Dear Democratic Services and All Interested Councillors,

I am writing to you concerning the Call in E2692 Policy Loan. As a BWCE co-operative member I realise I have a vested interested but feel I should raise some points for consideration when this matter is discussed (and point to some benefits).

The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment. I am aware this come from a borrowed "pot" of money so only works out

at about 2.5% return, but what other investment will give such a return? Is there an alternative investment the council has in mind that will give a better return? Surely this money needs to be used for something beneficial.

The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development. If it provides income for the council surely that is a benefit to all BANES council tax payers. In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within BANES, in stark contrast to commercial schemes.

The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping

to safeguard the equivalent of four full time posts within BWCE as a result.

The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment. I am aware this come from a borrowed “pot” of money so only works out at about 2.5% return overall, but what other investment will give such a return? Is the an alternative investment the council has in mind that will give a better return? Surely this money needs to be used for something beneficial.

The recently adopted Core Strategy for BANES states the importance of addressing climate change. This project would increase by a third BANES’s renewable electricity capacity. Also the project will be able to offer local people the opportunity to invest in local energy generation and get a

reasonable return on their money.

Finally the call in asks why BWCE doesn’t have a commercial bank loan – BWCE tried to secure commercial debt but banks will only offer project finance over £2-3 million. So this is just the sort of small scale business the council should be trying to help.

Thank you for reading this and I hope the council comes to the right decision and is not frozen into inaction because some councillors are not sure that it sits comfortably with their politics.

Alan Smith

Dear Sirs,

I am very disturbed to hear that a proposed loan to help build a solar array has been called in.

The Wilmington Farm Solar Array is a small-scale community project, not a massive commercial development, and it deserves support from B&NES.

B&NES' support will further its aims to address climate change, and also bring an annual return of 6.5% - an excellent return on the investment.

As a small-scale community project, it is not easy to get a commercial bank loan - these only go to much larger energy projects.

The B&NES loan will help to ensure that the project is built as a community owned asset, instead of a commercial development. The project will give local people the opportunity to invest in local energy generation, and be engaged in tackling climate change. Surely, this is an excellent example of "Big society", and needs to be encouraged!

Yours sincerely

David Beasley

To Resources and Policy Development Scrutiny Panel Re: Call in E2692 Policy Loan – Wilmington Farm Solar Array

I would urge the members of Scrutiny panel to agree that the cabinet members should proceed as agreed with the loan of £500,000 to Bath & West Community Energy. My reasons are set out below:

The recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme. This project would increase by one third B&NES's renewable electricity capacity.

The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment.

The call in asks why BWCE doesn't have a commercial bank loan – from my experience - to secure commercial debt banks will only offer project finance over £2-3 million. £500,000 is a perfect size

As a result the project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development.

In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation creating jobs in the green and insulation industries as a welcome byproduct.

The loan will increase the chances of a successful community owned project. This in turn will make a significant step in strengthening BWCE and helping to safeguard the equivalent of four full time posts within BWCE as a result.

Peter Andrews

Democratic Services: Please circulate this message to the Scrutiny Panel

I write in order to strongly support the proposed loan of £500K to BWCE towards the construction costs of the Wilmington Farm Solar Array. The reasons for my support are many:

~ The Core Strategy for B&NES, recently adopted, makes addressing climate change an overarching theme. This investment specifically aims to support the Council's policy commitments made in the B&NES Environmental Sustainability & Climate Change Strategy 2012-2015 to support the development of renewable energy in the area. This project would increase by a third B&NES's renewable electricity capacity.

~ The call-in request questions both the security and the return on the proposed loan. The money, £500K, will be secured against an asset worth £2.6 million. The Council will receive an annual interest of 6.5%, a significant commercial return on their investment, and one that it is hard to equal in current financial conditions.

~ The call-in suggests a commercial bank loan as a preferable alternative to the Council loan. Commercial debt has been explored by BWCE, but despite their excellent commercial record and national awards, banks will only offer BWCE finance for projects over £2-3 million.

~ The many local investors, including myself and family members, greatly value the community ownership of BWCE and its projects. Central to community ownership and investment is the retention of financial surpluses (already evident from BWCE's earlier projects) in the local community by dividend payments to investors, the Community Fund and - potentially - the good rate of return to the Council. The local authority loan will help to ensure that the project is built as a community owned asset, instead of a commercial development, and that such returns remain in the local community rather than disappearing to national/international bodies.

~ The project offers local people the opportunity to invest in local energy generation and get a good return on their money. The first stage of the share offer for Wilmington, to members only, was oversubscribed: clear evidence that the local population which the Council serves is extremely positive about this development.

~ In addition, as a community-owned asset the £500K loan would help create approximately £700K of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes. It also increases job creation prospects over coming years, as the Community Fund is invested in local works such as retrofitting the existing housing stock.

~ The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

I am astonished that 'my' Council, with an award-winning and proven home-grown success story, should have any reservations about nurturing and celebrating such success. Clearly due diligence is essential, but raises no concerns for the Directors and Members of BWCE. Please hear the voice and note the actions of your constituents, and support the loan to the Wilmington Farm Solar Array.

Dr Lyn Barham

Dear Sirs

I would like to add my support for this loan to be granted as originally intended.

- The recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme. This project would increase by a third B&NES's renewable electricity capacity.
- The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment.
- The call in asks why BWCE does not have a commercial bank loan – BWCE has tried to secure commercial debt but banks will only offer project finance over £2-3 million.
- The local authority loan is helping to ensure that the project is built as a community-owned asset, instead of a commercial development.
- As a result, the project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.
- In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes.

- The loan will increase the chances of a successful community-owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

Yours faithfully
Gill Christie

To Whom It May Concern,

I have recently become aware of the call-in of the decision-in-principle that the Council agrees to loan £500 000 towards the construction costs of the Wilmington Farm Solar Array. As a supporter of the project, I wish to point out some advantages of the scheme and comment on the reasons raised for the call-in where appropriate.

There is a twofold motivation for the primary reason to consider the loan, as given in the original case decision. The Green Investment & Jobs Fund created by B&NES Council was created in order to support and provide funding to such schemes as the proposed Solar Array. Secondly, the recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme. This project would increase by a third B&NES's renewable electricity capacity.

From a financial security point of view, the loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment. BWCE are well established and shown to have successfully raised funds for now income-generating projects in the local area, with the support and involvement of those in these communities. The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development. As a result the project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

The call in asks specifically why the project has not sought a commercial bank loan – I understand that attempts have been made to try to secure commercial debt but banks will only offer project finance over £2-3 million. As a professional working for a large, global energy consultancy, I am fully aware that project finance for small projects can be difficult to obtain from commercial lenders due to the small size, which is one reason why schemes such as the Green Investment & Jobs Fund are created.

In addition to the revenue generated for the Council as an investor, as a community-owned asset the £500 000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and

ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes. Therefore, the £500k will have a multiplier effect in generating income via the community benefit to further enhance the reach of the Green Investment & Jobs Fund and its aims.

Fundamentally, the loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

I hope that these points will go towards strengthening the case for upholding the decision-in-principle to award the loan and that the Council agrees that the loan to BWCE supports sustainable community enterprise fully within the aims of the Green Investment & Jobs Fund.

Yours faithfully,

Ben Buxton

Democratic Services: Please circulate this message to the Scrutiny Panel

I write in order to express my support for the proposed loan of £500K to BWCE towards the construction costs of the Wilmington Farm Solar Array. The reasons for my support are thus:

- 1) The Core Strategy for B&NES, recently adopted, makes addressing climate change an overarching theme. This investment specifically aims to support the Council's policy commitments made in the B&NES Environmental Sustainability & Climate Change Strategy 2012-2015 to support the development of renewable energy in the area. This project would increase by a third B&NES's renewable electricity capacity.
- 2) The call-in request questions both the security and the return on the proposed loan. The money, £500K, will be secured against an insured asset worth £2.6 million. The Council will receive an annual interest of 6.5%, a significant commercial return on their investment, and one that it is hard to equal in current financial conditions.
- 3) The call-in suggests a commercial bank loan as a preferable alternative to the Council loan. Commercial debt has been explored by BWCE, but despite their excellent commercial record and national awards, banks will only offer BWCE finance for projects over £2-3 million.
- 4) The many local investors, including myself and family members, greatly value the community ownership of BWCE and its projects. Central to community ownership and investment is the retention of financial surpluses (already evident from BWCE's earlier projects) in the local community by dividend payments to investors, the Community Fund and - potentially - the good rate of return to the Council. The local

authority loan will help to ensure that the project is built as a community owned asset, instead of a commercial development, and that such returns remain in the local community rather than disappearing to national/international bodies.

5) The project offers local people the opportunity to invest in local energy generation and get a good return on their money. The first stage of the share offer for Wilmington, to members only, was oversubscribed: clear evidence that the local population which the Council serves is extremely positive about this development.

6) In addition, as a community-owned asset the £500K loan would help create approximately £700K of community benefit over the 25 year life of the project. These monies could be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes. It also increases job creation prospects over coming years, as the Community Fund is invested in local works such as retrofitting the existing housing stock.

7) The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

Regards

Kelvin Barham

Dear Sirs

Re: Call in E2692 Policy Loan Wilmington Farm Solar Array

Solar generated electricity is totally clean and 100% efficient. Solid fuel, oil and gas are the usual forms of energy used throughout B&NES for heating properties. Each of these supplies of energy causes pollution which is unhealthy and damages the environment in which we live. That pollution also damages the properties within B&NES. Bath Stone in particular is damaged by this pollution. More over Soil Fuel and oil need transporting to our properties by heavy, polluting vehicles also solid fuel leaves a lot of heavy waste product which goes to Land Fill Sites using yet more heavy polluting vehicles to transport it. B&NES Council are showing leadership in tackling pollution and climate change problems by encouraging and supporting projects such as the Wilmington Farm Solar Array.

The recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme. This project would increase by a third B&NES's renewable electricity capacity.

The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment.

The call in asks why B&WCE does not have a commercial bank loan – Bath and West Community Energy have tried to secure commercial debt but banks will only offer project finance over £2-3 million.

This local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development. As a result the project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes. These projects will employ people from within B&NES to carry out the installation and maintenance over a 25+year period.

The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

It is in the interest of the entire community living within B&NES for this project to progress without delay. Please do not allow this loan to be withheld.

Yours faithfully

R J Bean

To Resources and Policy Development Scrutiny Panel Re: Call in E2692 Policy Loan – Wilmington Farm Solar Array

I notice that the recently adopted Core Strategy for B&NES makes addressing climate change a very important issue. B&NES record on this matter is not very impressive. This project would increase the renewable electricity capacity of B&NES by one third.

The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment.

The project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development.

In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. This would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation, creating and maintaining jobs in the green and insulation industries.

I think the members of Scrutiny panel should agree immediately that the cabinet members should proceed as agreed with the loan of £500,000 to Bath & West Community Energy.

MONICA ANDREWS

Dear Sir/Madam

As a Bathonian I feel I have to respond to the recent call in of the 500k loan to Bath and West Community Energy. First, B&NES, quite rightly, has made addressing climate change and encouraging a shift to renewable energy a priority. The Willmington Farm Solar Array would increase B&&NES' renewable energy by a third and the visual impact is slight. Secondly, it makes financial sense – the Council will make an annual return on their investment of 6.5% – i.e. a commercial return. Thirdly, as this is a Community project, it will be built and run as a community owned asset and profits will be invested for the benefit of the community – which is surely a better idea than being paid out as dividends to distant shareholders with no interest in the area. The call in is wrong headed, a political move intended to serve a political interest and not the community. It should be squashed.

Yours faithfully

Michael Middlehurst

understand that this loan is being queried and challenged. As an investor in the BWCE scheme, I can see only advantages to the Council from its involvement, in particular a good rate of return (it would be interesting to know which are the other potential investments that the councillors believe would be better).

I hope, when they read the answers to the questions they have raised, they will see that their worries are groundless.

Best

Margaret

I think it is completely unacceptable that the Council leader and one other Councillor should take loan decisions by themselves. This would not be acceptable in a private business or any other organisation. All spending should be scrutinised by all Councillors and the two individuals concerned should apologise to the Council and the public.

Regards

I am puzzled about a report in The Bath Chronicle that a loan was approved to the above for a solar farm scheme.

If this is true, I am surprised that the Council is prepared to make loans to private companies. I don't believe it is the role of the Council to use taxpayers money in private investments. This company should be looking for private investors or applying to a bank to fund a private enterprise.

I hope that the Council will revoke this decision and that the discussions and decisions surrounding this proposed loan are made transparent to the rate payers of this area.

Terry Bedding

In view of the approaching global energy crisis, it is very important to use modern methods of generating electricity such as the solar panels at Wilmington Farm, so I urge the Council to support this loan.

Mrs E Joyce Hitchcock

Dear Democratic services and Bathavon North Councillors

I am writing to say how surprised and disappointed I was to hear that the loan agreed by B&NES to Bath & West Community Energy (in which organisation I am an investor) has been called in by Conservative councillors. One wonders on what grounds any objection could have been made, in these times of constantly increasing fossil fuel prices.

The context of the development is that the recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme of the council, and this project would increase by a third B&NES's renewable electricity capacity.

The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment. The call in asks why the project has no commercial bank loan. As I understand it, the group have tried to secure commercial debt but banks will only offer project finance over £2-3 million. The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development. As a result the project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

In addition, as a community-owned asset the £500,000 loan will help create approximately £700,000 of community benefit over the 25 year life of the project. These monies will be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes.

The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

It is very hard to see who loses out from the loan, as there are very clear benefits for the local community in providing a local source of cheap sustainable electricity for all, and profits retained and reinvested locally. As a constituent I call upon you to rethink your objection.

Best regards

Sarah Warren

Members will be aware that this issue is of interest outside the area, and we have received the following statements:

I have seen, from the Agenda for Resources Policy Development and Scrutiny Panel meeting

Monday, 29th September 2014, that the above proposal has been called in for review,

Whilst I appreciate the need for due diligence, as a member of BWCE, an acknowledged national champion for promoting community renewable energy, I

hope B&NES will be able to support the loan which would allow this community project to be funded and to proceed on an efficient and economic basis.

In considering this item, I would ask B&NES to consider the following:

- The recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme. This project will increase by a third B&NES's renewable electricity capacity.
- The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment. It is helping ensure that the project is built as a community owned asset, rather than a commercial development.
- The project offers local people the opportunity to invest in local energy generation and get a reasonable return on their money.
- In addition to helping create a community-owned asset, it is assessed that the loan would create some £700,000 of community benefit over the project life. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social benefit of the loan and ensure a substantial element of the project income is retained within B&NES. This community benefit is in stark contrast to commercial schemes.
- The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

In reviewing the proposal, I trust you will give due consideration to the above aspects.

Many tanks and best regards;

Jon Bateman

Dear Scrutiny Panel, B&NES Councillors,

Re Loan Wilmington Farm Solar Array, Call In , E2692 Policy

I am writing to you as I fully support the proposed loan from the Green Investment Fund to Bath and West Community Energy Group for the construction costs of the Wilmington Farm Solar Array.

I understand your concerns in making sure that the new Green Investment Fund is being used in the best possible way. However, I consider from my own personal experience, that the Bath and West Community Energy (BWCE) have a very well proven track record of offering a green, truly local, ethical, efficient, well organised, professional, investment opportunity. I initially made an investment in

BWCE in 2012, and have been so pleased with those returns that in August 2014 I felt confident enough in them to make a further investment.

Another understandable concern of yours is in analysing potential community benefits. In many ways it is so difficult and complex for a council to quantify and justify such community benefits. I think that BWCE is a shining example of the wide dimensions possible through raising awareness of the environmental issues with a group such as theirs. I was not at all surprised that BWCE was honoured by being chosen as the national Community Energy Association of the Year in 2014 because from my own personal experience it was a well and truly deserved win. <http://ukcec.org/> UK Community Energy Awards. One strong piece of evidence of community benefit is the photograph of smiling children in front of their school roof at Oldfield Infants School. The photo is a heart warming, optimistic advertisement for the future and for the B&NES area generally.

I'm not sure if B&NES councillors are aware of the excellent influence this pioneering renewables group have had in other areas nearby upon those councillors and planning officers. This unselfish aspect is also difficult to quantify but is an aspect you should rightly be very proud of as a council. All of the BWCE team has been so willing for several years to share their expertise and experiences with a wider community. In 2012 a representative, Pete Capener, came one evening to talk to the members of Environment Forum section of South Gloucestershire Council about renewable energy. Pete and the others are very inspirational and I am a member of our own Westerleigh Parish local group which is at the very early stages of trying to follow his example. Whenever possible I have been to BWCE members meetings and AGMs, and have always been impressed with their professionalism allied to enthusiasm and dedication. One year the BWCE speaker was Jonathon Porritt, the founder of Forum for the Future <http://forumforthefuture.org/> who alerted us all to the latest developments of national and international picture of potential disastrous climate change.

Yours sincerely,

Stella Beecher

Dear Democratic Services Scrutiny Panel,

As a member of BWCE I am writing to support this project and ask BANES to agree the loan on all the grounds given below.

1) The recently adopted Core Strategy for B&NES makes addressing climate change an overarching theme. This project would increase by a third B&NES's renewable electricity capacity.

2) The loan of £500,000 will be secured against an asset worth £2.6 million and the Council will receive an annual interest of 6.5%, a commercial return on their investment.

3) The call in asks why we don't have a commercial bank loan – we have tried to secure commercial debt but banks will only offer project finance over £2-3 million.

4) The local authority loan is helping to ensure that the project is built as a community owned asset, instead of a commercial development.

5) As a result the project will be able to offer local people the opportunity to invest in local energy generation and get a reasonable return on their money.

6) In addition, as a community-owned asset the £500,000 loan would help create approximately £700,000 of community benefit over the 25 year life of the project. These monies would be spent on low carbon and fuel poverty projects, focussing on the area surrounding the installation. This would increase substantially the social impact of the loan and ensure a substantial element of the project income is retained within B&NES, in stark contrast to commercial schemes.

7) The loan will increase the chances of a successful community owned project. This in turn will also make a significant step in strengthening BWCE, a local community enterprise, whilst helping to safeguard the equivalent of four full time posts within BWCE as a result.

I believe that the council should be proactive and should make projects of this kind a spending priority.

yours sincerely,

Katherine Holden (Dr)

Remarks to Call In Committee, Wilmington Farm Solar Array

My name is William Hobhouse and I have no interest to declare in this decision.

In 2013, Conservatives and Liberal Democrats passed a motion opposing fracking in BANES. This call in raises the question whether the Conservative group has changed its mind on fracking since then.

We need to keep the lights on. It is not a coherent position to be against fracking and against the alternatives to fracking. As North Sea gas declines, and coal is phased out as a particularly dirty fuel, the options for the UK are nuclear and renewables, or fracking.

Building this solar array will provide electricity to 600 houses. Alternatively, we can approve fracking licences in the area, frack out the shale gas and provide electricity to these 600 houses. These are political choices to be made here in BANES and by our MPs at Westminster. We must do one or the other.

I don't think there is much doubt about what Conservatives at Westminster think about fracking. Jacob Rees-Mogg is in favour of fracking, Eric Pickles is in favour of fracking, George Osborne is in favour of fracking. And, to be fair, there are arguments for fracking.

But there are also arguments against fracking. That fracking should be a last resort not a first choice. That tackling climate change is the great challenge of our age. That government must do all they can to develop renewable technologies to replace fossil fuels. Just down the road from here at the National Composites Centre, prototypes are being built to generate electricity from ocean currents.

This call in is about a field of solar panels. But the signal it will send to the public will be about fracking.

I urge the committee to restate the Council's position from 2013. In the context of this meeting, that solar panels are better than fracking rigs, that renewables are our first choice and fracking our last resort.

I urge the Conservative Councillors to consider the arguments, and, on reflection, to allow the decision in favour of the solar array to stand.

William Hobhouse

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Statement to the 29.9.2014 Resources PDS Panel meeting

[Italicised text was not included in the spoken statement but for the information and reference of the reader is included in the numbered footnotes overleaf]

“Thank you Chairman for this opportunity to comment on what I see as an **astute and significant** Call-in, as well as one of professional and personal interest¹.

I would like to start by setting the discussion in a larger policy context.

- The day after Scotland's "No" vote was announced, I attended a public debate² entitled "is government bankrupt?" Observing that a recurrent theme of this discussion was the difficulties governments all around the world face from the tension between the global scale of 21st century problems and their citizens' rejection of greater governmental integration, I remarked that this is why **in Bath and North East Somerset we believe in local solutions to economic, social and environmental problems**.
- I might also have said, that another reason we are confident of a better rather than bankrupt future, is the way **we work with and leverage the resources³ of our diverse and vibrant communities** Indeed, in my view, the Council's growing strategic local leadership role and range of partnership⁴ delivery arrangements is the most remarkable difference between the Council as an organisation now, compared to what it was before the global financial crisis of 2008.
- But organisational change of this scale and pace, requires some **adjustment to our decision-making processes** as those necessary for developing strong and durable partnerships are qualitatively different from those associated with, for example, making wise investments on established financial markets. And we are not alone in having to adjust our financial management practices in this regard, as the recently published G8 Social Impact Investment report⁵ makes clear.

Turning now to the specific Call-in issues:

Although its your job to evaluate the strength and weaknesses of the Call-in case, to point you in the general direction of a wise resolution, I would like to table **a question for each of the Call-In stakeholders**:

- **Call-in Members**, how and at what stage would you like the Cabinet to consult or have consulted with you as regards (i) the policy and business rationale for the proposed loan (ii) the nature and results of an appropriate due diligence process (iii) evaluating its social and financial impact?
- **Cabinet Members**, in developing relationships with key delivery partners, how can you better ensure that these are with the whole Council rather than just that of a few Members?
- **Officers**, how can you improve your pre-decision consultation with both Members and Officers?
- **Bath & West Community Energy**, what do you see as the critical success factors to delivering the social and economic as well as environmental benefits over the life of this loan?

Last but not least, **as important as the outcome of this Call-in, is the way in which you arrive at it**. For, it is this consensual process, that with our partners, will empower us to make a lasting difference to the lives of our communities whilst doing our bit to address difficult global problems."

Nicolette Boater, M.A.(Oxon.), M.Phil
*Strategist, business economist and policy analyst,
working at the interface of the public, private and voluntary sector.*

¹ Professionally as

- a strategic management consultant, economist and policy analyst;
- it follows on from my work as a B&NES Overview & Scrutiny officer (2008-2010), when amongst other things I initiated, lead and interpreted a cross-party strategic review of the environmental sustainability of buildings agenda; and personally as
- a member of 3 generations of a family living in B&NES;
- a member of BWCE since 2011;
- But not a member of any political party.

² Chaired by the Dean of the new Blavatnik School of Government and Professor of Global Economic Governance, Ngaire Woods, as part of Oxford University's September 2014 "Meeting Minds" Alumni weekend.

³ See my "Strategic resource allocation" statement to the July 2012 Resources PDS Panel on this subject.

⁴ See the thinking embodied in my statement to the January 2013 ECD PDS Panel, urging the Cabinet to work with the River Corridor Group (now the River Regeneration Trust) to unlock the economic, social and environmental potential in this important natural asset.

⁵ The taskforce, brings together government officials and senior figures from the worlds of finance, business and philanthropy from across the G8 countries, and published its report on 15 September 2014, after a year of grappling with such issues as

- how should social impact be measured?
- what is an appropriate return on social investment?
- what is the role of impact investment in economic development?
- how can different corporate forms, governance structures and legal protection be better aligned?

Nicolette Boater, M.A.(Oxon.), M.Phil
Strategist, business economist and policy analyst,
working at the interface of the public, private and voluntary sector

Peter Capener: 29th September 2014

Statement to the Call In Meeting to consider the B&NES Council loan for the Wilmington Farm Solar Array

Thank you for the opportunity to speak at this meeting.

My name is Peter Capener and I'm the chair of Bath & West Community Energy. I'm also chair of Community Energy England, a representative body for community energy enterprises like us around the country and a member of the ministerial advisory group that supported Greg Barker MP in recently producing the UK's first ever community energy strategy. What we are doing in Bath is fully supported by UK Government Policy.

Bath & West Community Energy is an award winning, financially sound, local Community Benefit Society. We are not a private company as many have said. We offer local people the opportunity to become members, invest and so own and control the community business. For the last three years we have paid members 7% interest on their investment.

Community ownership also offers a massive dividend to the local community. The Wilmington Farm Solar Array will enable us to re-invest £700,000 over the project's 25 year life back into communities directly around the Wilmington Farm Solar Array.

This is nearly 30 times more than typically generated by commercial projects.

We have already set up an independent charity that will manage the community benefit funds and we have started paying surplus into the fund from our existing projects.

A Council loan will help to ensure that the Wilmington Farm Solar Array will be built as a community owned energy project, generating significant returns to local people and the community, whilst safeguarding jobs within a rapidly growing local community enterprise.

As a result we will be retaining the vast majority of all project income within the local area. This is in stark contrast to the commercial development model whereby nearly all income is whisked out of the area and into the accounts of national and often international commercial developers, energy companies and banks.

In addition this project will deliver a significant step towards existing local renewable energy targets for B&NES. This project alone will increase by a third existing renewable capacity in the area.

The Council loan will fill the gap left by banks who are only prepared to offer much larger project finance loans. The Council loan will be secured against what is a good project earning a commercial return that will benefit B&NES residents, with planning approved and signed off by the secretary of state. As such the council will have full step in rights to take control of the project if anything were to go wrong. Bath & West Community Energy is a financially sound organization with a recent Experien credit assessment referring to us as having a 'Very Low Risk of Failure.

We have already raised nearly £800,000 from members and from our recently launched share offer. That together with the loan, if approved, will leave a further £1.3 million to be raised over the coming months. We recently secured £2.2 million for a similar project

near Avonmouth for another community enterprise, Low Carbon Gordano and so are confident we will meet the target.

This is a different way of doing business that puts the community first and as a result, we believe, fully warrants local authority involvement.

We fully support the due diligence and decision-making process the Council has entered into and believe it's in the Council's interests to now approve this loan. Please don't threaten the huge benefits of a project that offers such a clear win-win-win – for the Council that gets a secure commercial return and its initial investment back to then re-use elsewhere – for the local community that secures significant community benefit – and last but not least, for our environment.

Thank you.

Wilmington Solar Farm Due Diligence

An analysis of B&NES's council's proposed loan of £500,000 at 6.5% to Bath and West Community Energy for the 2.34MW Wilmington Solar Farm

Philip Haile, September 2014

For presentation to B&NES Council's Scrutiny Panel 29 September 2014

1

My background: Experienced Financial Analyst

- Experienced financial analyst, risk manager:
 - 15 years experience as a Director at several major US investment banks, including credit risk analysis
 - Several years doing due diligence for venture capitalists in California analysing technology start-ups
 - Degrees and professional qualifications in Finance, Engineering, Sustainable Energy
- Bath
 - Retired, living off financial investments, a significant shareholder in BWCE after doing careful analysis
 - Volunteer extensively for Transition Bath, attempting to reduce demand in Bath: project manager for thermal imaging, LED lighting, planning & consultations and schools energy project (including involvement in 72 x schools energy assessments last year). Volunteer for Bath Green Homes (all of these are demand reduction projects)

2

How I would go about doing due diligence on this loan (part 1: Fundamental Analysis)

- **Fundamental Analysis:** look at the company, its track record, seniority of debt/debt structure, management, risks:
 - A 3 year track record of delivering not just projects in Bath (£2M), but for Wiltshire (WWCE/£1.3M) and Bristol (LCG/£2.2M)
 - Probably the most experienced such management team in Jeff Kenna and Peter Capener in the UK (including Community Energy Company of the year), advisors to DECC on community energy schemes
 - The loan is secured against the solar farm and is more senior than shareholders, only 20% of overall investment
 - Low beta investment: significant asset, very constant government backed almost deterministic cashflow
 - What are the risks: performance of project (previous projects are 5% to 10% above forecast), a new free energy source is discovered in next 15 years (unlikely)

3

How I would go about doing due diligence on this loan (part 2: Market Analysis)

- **Market Analysis:** what other precedents are there out there, is 6.5% reasonable?

6.5%	SSE £750K loan to BWCE, 5% rising to 8.5%, 6.5% IRR
6.5%	Ecotricity Retail Bond (unsecured)
4.3%	Cornwall council community fund (distributed at 6.5% to 8.5% via a 3 rd party)
5.6%	Tridos bank, larger schemes only
5%	Oxford Council solar farm
6.5%	Carbon Leapfrog

- **Conclusion:** 6.5% is not unreasonable and at the top end of the market

4

What are the alternatives?

- Invest in another renewable company or alternative
 - Who? and will they invest £700K back into the community?
 - Wind: difficult due to planning and Bristol airport
 - Hydro: small scale only, dependent on B&NES plans for Avon
- Demand reduction: e.g. insulation
 - Yes, I agree, but I think you need a diversity of approaches investment in both reduction of demand and production of renewable energy. An even split between the 2 seems reasonable
 - And, where are these investments going to be made, BWCE has tried it in schools and found it to be uneconomic because of its small scale
 - Investment unlikely to achieve anywhere near 6.5%

5

Conclusion

- **I can't see any other alternative**, B&NES will struggle to meet its carbon commitments given this farm will offset 650 homes of electricity but the Core Strategy requires 850 homes per year to be built. It needs a continuous annual investment at this level.
- This scrutiny is not unreasonable, but don't delay your decision because the feed-on-tariff locked into the project means the farm has to be built by Dec 2014
- This will be a community asset which invests £700K back into the community over its life
- The speed of your decision making is important to BWCE, this uncertainty could undermine a local community enterprise, reducing its ability to deliver local benefits

6

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My name is Nick Francis, a citizen of Bath and an investor in the company. My written deposition is number 3, but I thought I'd bring a different perspective to the contributions. I am a Trustee of the national Quaker body, and am Clerk, that is Chair to you, of its Finance & Property Committee, which is responsible for Quakers' investment policies.

Last year we took the decision, as a church, to disinvest in any companies involved in fossil fuel extraction, the first church in Britain to do so, and now we are being followed by others – I believe the Baptist Church has now also decided to do the same. We do this by having all our members in unity, as we do not vote in our business meetings, and it is significant that this unity came very quickly in a matter of months with no dissension. At the same time we recognised that we should take up investment in businesses involved in renewable energy, and this involves risk, as the renewables industry is new and immature in investment strategy terms. We agreed that the risk was worthwhile, as all these new businesses need to get on a firm footing, and need help. Our investment policy is on line, should anyone wish to see it – Quakers in Britain.

At the same time we encourage our members to become investors in local community-based energy businesses.

I hope the councillors responsible for the Call In will think they are mistaken and withdraw it.

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Councillor David Martin

Last week the UN Climate Conference was attended by the Prime Minister. He reiterated his view that climate change is one of the most serious threats facing our world.

As part of the government's approach to climate change, they are strongly supportive of community led low carbon investments. .

Furthermore, Local Authorities have a key role in supporting renewable energy, leading by example, by partnership working and community enablement.

The Council has policy commitments in its Environmental Sustainability and Climate Change Strategy to support renewable energy development. Our adopted Core Strategy Policy on renewable energy sets district wide targets for electricity.

So this loan meets the Council's policy objectives.

BWCE is a nationally praised and recognised community benefit company, set up to deliver community owned projects. They have already successfully developed several small-scale solar projects across our district in primary schools.

But there is a funding gap for solar farm projects of this scale - commercial banks will only offer project finance at £3M or more.

By investing a policy loan of £0.5M in this project, the Council will help to overcome this barrier, and help the development of a community-owned asset. With a community share offer underway for £1.65M.

The Council's loan is senior debt and is secured against the asset, and earns an annual 6.5% - comparable to other similar investments by Local Authorities in green energy projects.

Due to economies of scale, the solar farm is more cost-effective in terms of £ per kW of electricity than investing the same amount for individual solar roofs. .

The project will generate contributions to the B&W Low Carbon Fund which will be spent on local projects, helping to create further green jobs in energy efficiency.

Mr Chairman, amongst the many emails I have had in support of the Council policy loan, people of all ages and backgrounds have demonstrated their commitment and enthusiasm for community involvement.

Due diligence has shown that this decision is robust financially and is well judged.

I believe that all the questions in the call-in request can be satisfactorily answered, and I urge the panel to dismiss the call-in so that the project can proceed in a timely manner.

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W R Cudlipp questions and responses

1. What is the asset value of BWCE?

Please see BWCE's website for information about the company: www.bwce.coop including all previous installed projects, the community share holding model, the share offer for this project and much more.

2. I notice that the company has ten solar operations, eight of these sites are in local schools. Question; how does this benefit the local community, or is it the County Council?

All BWCE's projects are community owned, through local share-ownership, with all the economic benefits retained in the local community. The revenue generated by the projects, once loan and shareholder interest has been paid, is donated to a charity Bath & West Community Energy, for use within the immediate local community on projects that reduce both carbon emissions and fuel poverty.

3. I notice that a rating agency D and B rate this company for only £15,000 of loan. Question; is this 'suggested' (?) loan at risk?

No. The investment has been tested by a full due diligence process, undertaken by Price Waterhouse Cooper and has been pronounced low risk for the Council. The D & B rating is only for trade suppliers, is not relevant to the loan, and is out of date.

4. In the Parish of Wedmore, Somerset, there is a community solar farm that has been paid for by shareholders of the community. I supported this project. Question; is this scheme to be funded by local shareholders?

Yes. BWCE launched the community share offer for the Wilmington Farm Solar Array on 17 September – it runs until 14 Nov 2014. £500k has already been raised for this project from existing share-holders and with the Council loan of £500k the current share offer is to raise a further £1.6 m to provide the funds for the scheme.

5. I notice that the green investment and jobs fund set at £1million would be taken up by 50% in one go. Question; what is the repayment terms (in time) and what is the interest rate?

The £500k loan is to be repaid over 15 years at an interest rate of 6.5% per annum.

6. What is the size (area) of this solar farm?

Don't know. This is not a question we have needed to ask in relation to the loan. The array is 2.34MW. Please see the above website for further details on the scheme.

Questions from Helen Dudden and answers provided:

1. I would like to know the amount of interest that would have been charged, and how long the loan was for?
 - ? The policy loan of £500k is for a 15 year term, by which time, it will be fully repaid, with annual interest of 6.5% paid to the Council, which is a commercial rate of interest for this sort of project.. After paying the cost of borrowing, the Council gains 2.5%each year, which will be used to support Council services to the public.

2. Who was to have the loan?
 - ? The loan is for investment into the Wilmington Farm Solar Array – ie capital project finance. This project has been developed by Bath & West Community Energy (BWCE) and will be owned by members of the local community through community share-holding, with the economic benefits remaining in Bath & North East Somerset. After paying interest to those local share-holders and the Council, BWCE, which is a community benefit company registered under Industrial and Provident Society rules, will pay any further profits from the solar farm into the Bath & West Community Energy Fund (a separate charity) to be spent on local projects that help to reduce carbon emissions and tackle fuel poverty. The money is capital solely for project finance for this project - it is not an investment in the company itself.

3. Why did the two Councillors feel it was except-able in the present climate, when, they have cut toilets and children services?
 - ? The government, as part of the national Community Energy Strategy, have asked local authorities to find ways to invest in community energy schemes in their area, using Public Works' Loan Board finance, if necessary. Local authorities are allowed to raise money in this way in order to further policy objectives – in this case to help meet the renewable energy targets contained in the B&NES Core Strategy. This is what the Council plans to do, ie to borrow from the Public Works' Loan Board in order to make a policy loan investment into a local renewable energy project, which just happens to also make a return on that investment.
 - ? This is a loan that has to be repaid, so could not be used to pay for services, but the interest gained can be used to support services in

the future. There are other benefits from this investment, such as the contribution the investment will make the Bath & West Community Energy Fund. The £500k investment will yield around £250k income for the Community fund over the lifetime of the solar farm (20 years) – so this will increase the amount of money that can be spent in the community to reduce carbon emissions, increase local independent sources of energy and help to tackle fuel poverty.

I find it incredible that the Councillors are acting like a bank with tax payers money.

Regards,
Helen Dudden.