

Single Member Cabinet Decision

Executive
Forward Plan
Reference

E2692

Policy loan of £500k in Wilmington Farm Solar Array

<p>Decision maker/s</p>	<p>Cllr Paul Crossley, Leader of the Council</p> <p>Cllr David Bellotti, Cabinet Member for Community Resources</p>
<p>The Issue</p>	<p>The Green Investment & Jobs Fund (£1m) was approved by Council in February 2014 “<i>Investment of a policy loan in local renewable energy projects to further a range of Council policy objectives, whilst generating a source of income for the Council and contributing to the creation of ‘green’ jobs.</i>” The investment will also enable the Council to directly contribute to the achievement of the Core Strategy renewable energy targets.</p>
<p>Decision Date</p>	<p>2nd September 2014</p>
<p>The decision</p>	<p>The Cabinet Members agree that:</p> <ol style="list-style-type: none"> 1. In principle to make the loan of £500K into the Wilmington Farm Solar Array, subject to due diligence; 2. And to AUTHORISE the Divisional Director for Strategy & Performance, in consultation with the Cabinet member for Resources, to authorise the loan once satisfied that due diligence has been completed and subject to relevant terms and conditions.
<p>Rationale for decision</p>	<ul style="list-style-type: none"> • BWCE are the only organisation delivering such projects in B&NES, with a community benefit model, and with a current pipeline of projects that can be delivered in time. • There are no other organisations based in B&NES that offer both the ability and track record to deliver community based renewable energy projects or the commitment to investing all surplus profit into a Community Energy Fund for reinvestment in local energy projects. • The Green Investment & Jobs Fund was agreed by Council with the intention of making a policy loan investment in 2014/15. As there is significant lead-in time required to develop a renewable energy project the Wilmington Farm scheme developed by BWCE provides an opportunity that fits with this timetable. • The Council has renewable energy targets in the Core Strategy and this scheme will contribute to meeting those targets whilst also providing positive encouragement for future renewable energy schemes to be developed.

Financial and budget implications	<ul style="list-style-type: none"> This investment represents half of the Council's approved budget for investment in 2014-15. There will be an estimated return on investment of 2.5%, subject to the Council's actual cost of borrowing. All due diligence costs will be covered by Bath & West Community Energy. The loan will be repaid in 15 years. The Special Purpose Vehicle that will be set up for the B&NES investment will ensure that the investment is secured on the asset, i.e. the renewable energy generation equipment. In the event of the failure of Bath & West Community Energy for whatever reason, the relevant asset would revert to the Council.
Issues considered	Sustainability; Other Legal Considerations
Consultation undertaken	Other B&NES Services; Local Residents; Stakeholders/Partners; Section 151 Finance Officer; Monitoring Officer
How consultation was carried out	The Report was published on the Forward Plan and Weekly List.
Other options considered	There is a significant lead-in time required to develop renewable energy schemes to a point at which a policy loan could be applicable. In order to make this policy loan investment in 2014/15 no other options were available to consider.

Signatures of Decision Makers	<p>Cllr Paul Crossley</p> <p>Cllr David Bellotti</p>
Date of Signature	2 nd September 2014
Subject to Call-in until 5 Working days have elapsed following publication of the decision	