

Call-in of decision E2692 – Policy loan of £500k in Wilmington Farm Solar Array

The decision:

On 2nd September 2014, a Single Member Cabinet Decision was taken by Cllr Paul Crossley and Cllr David Bellotti to:

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.

Reason for call-in:

- We are concerned by the lack of opportunity for Councillors to democratically scrutinise this decision, particularly given the unique nature of this loan/investment by the Council.
- We are concerned that, given the large sum involved and unique nature of the loan, the Council's due diligence procedures have not been undertaken before the Cabinet Member and Leader took this decision. We believe it would have been prudent for the Council to have undertaken due diligence prior to presenting the report to the Cabinet Member and Leader in order that the Cabinet Member and Leader could be aware of all the facts before taking the decision to agree the in-principle loan.
- We are concerned that, as currently proposed, the loan represents a high-risk investment for the Council at a relatively low rate of return when compared to other potential investments.
- We are concerned that it is unclear within the Cabinet report what the actual value is of the asset against which the loan is proposed to be secured, and that this asset could have a significant depreciation rate.
- We are concerned that it is unclear why it is necessary for the Council to make this loan, as opposed to the loan being provided on the private open market.
- We are concerned that other options for the use of the Council's Green Investment and Jobs Fund (such as those which provide greater job creation opportunities or support residents in reducing carbon emissions) have not been fully explored and presented in the Cabinet report so that a proper judgment can be made of the best allocation of this fund.

- We are concerned that it is unclear from the Cabinet report exactly how many local jobs, and in particular full-time permanent jobs, would be directly created by the Solar Farm, particularly given that the loan is being made using an allocation from the Council's 'Jobs Fund'. We would be concerned if such a large proportion of the Green Investment and Jobs Fund (50%) were used for a project which benefited a relatively small number of B&NES residents, particularly in terms of job creation.

Lead call-in Member: Cllr Liz Richardson

Cllr Barry Macrae
Cllr David Veale
Cllr Michael Evans
Cllr Allan Hale
Cllr Dr Anthony Clarke
Cllr Chris Watt
Cllr Tim Warren
Cllr Vic Pritchard
Cllr Sally Davis