

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.