

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	12 November 2014	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2711
TITLE:	Bath and West Community Energy Co-Operation Agreement Renewal	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Bath & North East Somerset Council and Bath & West Community Energy Cooperation Agreement</p>		

1 THE ISSUE

- 1.1 The existing Cooperation Agreement with BWCE, adopted by Cabinet on the 12th October 2011, has enabled strong partnership working between the Council and BWCE from 2011 to 2014. This proposal is to renew the updated Cooperation Agreement for five years. The Council's work with BWCE has been recognised as a national exemplar for supporting community energy, for example by inclusion in a conference speech by Ed Davey in September 2014.

2 RECOMMENDATION

- 2.1 That Cabinet renews the BWCE Cooperation Agreement for five years, until November 2019.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Cooperation Agreement contains no financial or property obligations, stating only that the Council and BWCE may work together to investigate the potential for funding mechanisms or projects on Council property, subject to a separate decision-making process in each case. For example, the opportunity for further investment to create an income for the Council whilst supporting community energy, building on the experience of the Green Investment and Jobs Fund.
- 3.2 Continuation of the Cooperation Agreement will require a continuation of a limited amount of officer time from the Sustainability Team, resourced within existing budgets and staff capacity.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Sustainability: As set out in the report, the BWCE Cooperation Agreement is a significant part of the Council's strategic response to climate change. It will facilitate the Council's commitment in the Environmental Sustainability & Climate Change Strategy to provide the leadership to reduce carbon emissions across the area by 45% by 2026. It will also help meet the target in the adopted Core Strategy to install 110MW renewable electricity and 165MW renewable heat by 2029.
- 4.2 Equality: The provisions in the Equality Impact Statement submitted to Cabinet on the 12th October 2011 with the original Cooperation Agreement are still relevant for the renewed Cooperation Agreement. The Equality Impact Statement can be found [here](#). Whilst it is not foreseen that the Cooperation Agreement in itself will raise equality issues, future projects will be assessed for the need to address equality issues and when necessary will project-specific Equality Impact Statements will be produced.
- 4.3 Legal power: The legal power to work with BWCE is enshrined under Section 2 of the Local Government Act 2000 which gives B&NES the power to do anything which it considers is likely to achieve the promotion or improvement of the economic, social or environmental well-being of its area. This legal power was strengthened by Section 1 of the Localism Act 2011 which grants local authorities a general power of competence to do anything which individuals may generally do.

5 THE REPORT

- 5.1 The Council has a pivotal role in tackling climate change by reducing carbon emissions in the district. The Environmental Sustainability Partnership's Environmental Sustainability & Climate Change Strategy sets out three approaches to this, namely partnership working; leading by example and community enablement.
- 5.2 Our work with BWCE through the Cooperation Agreement follows all three of these strategic approaches. It provides a vehicle for leadership by enabling projects on our own land or through Council investment. It provides a new model for partnership working and also gives communities the chance to have a stake in renewable energy projects.
- 5.3 The Cooperation Agreement has been recognised as a pioneering way for local authorities to support community energy. The Agreement, plus the work that has taken place under its auspices, was a major factor in the Council's receipt of the Most Proactive Public Sector Body Award at the South West Green Energy Awards in 2013.
- 5.4 The Cooperation Agreement recognises that BWCE is unique in our area, as a not-for-profit organisation set up by local people. BWCE keeps the majority of the economic benefits in the area, through a local share-ownership model and importantly, the reinvestment of surplus revenues into the BWCE Community Fund. The Fund is now constituted as a Charity with an independent Board and has the ability to ring-fence revenues from individual projects for use by communities in the direct locality of the project. The Fund has received its first

£20,000 of renewable energy revenue and bids will soon be invited for local low carbon projects.

- 5.5 When the Cooperation Agreement was adopted in 2011, BWCE was recognised nationally as a pioneering community energy enterprise. Since then, this recognition has grown and BWCE has won a number of awards, including Community Energy Organisation of the Year at the UK's first community energy conference in September 2014.
- 5.6 As of April 2014, BWCE has raised £3.5m and installed 1.7MW of solar PV through its own projects and those of its partners. BWCE is in negotiation with developers about a further 10MW of solar PV as well as developing other solar, hydro and wind projects.
- 5.7 In addition to their own success, BWCE also mentors other community energy groups, partnering with them to provide technical and fundraising expertise. Whilst not in B&NES, Low Carbon Gordano (in North Somerset) is an example of this; with BWCE's guidance, they recently raised £2.2m in a local share offer for their solar project.
- 5.8 The Cooperation Agreement has been instrumental to BWCE's success. BWCE's first project was the installation of solar panels on the roofs of six B&NES schools which the Council helped to identify and facilitate. Lewis House now also hosts BWCE panels and further sites are being investigated. The Council's Performance Reward Grant in 2012 pump-primed BWCE, enabling them to secure further funds and covering important development costs.
- 5.9 Investment is the most recent way in which the Council has worked with BWCE. The Green Investment and Jobs Fund has been set up to provide a policy loan for 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. The first policy loan of £500k will be invested in the Wilmington Farm Solar Array, a BWCE community energy project. The loan will enable this project to happen and support the community share offer by overcoming the current market barrier to bank lending for community energy projects of this scale.
- 5.10 The renewal of the Cooperation Agreement would mean that the Council and BWCE would agree to continue to work together to identify and bring forward energy projects within the district, opportunities for joint research about community-based projects, opportunities for people in the area to invest and secure a return from projects and other funding opportunities.
- 5.11 The Cooperation Agreement attached is largely the same as the previous Agreement, with updates to strengthen the joint approach to community engagement and to underline the Council's "One Council" approach to working with BWCE. The new Agreement also reflects the stronger legal basis for the Cooperation Agreement with the passage of the Localism Act 2011.

The Cooperation Agreement with BWCE was a pioneering document which has since been used in other situations, for example in the joint working arrangements between Bath & North East Somerset Council and North Somerset Council.

6 RATIONALE

6.1 This Cooperation Agreement enables the Council and BWCE to work together to help:

- a) B&NES deliver its Environmental Sustainability & Climate Change Strategy aim of providing the leadership to enable a 45% cut in district wide CO₂ emissions;
- b) maximise the proportion of the District's 2020 renewable energy target in the draft Core Strategy that will be delivered using a strong community model;
- c) build community resilience, for example, by alleviating the impact of rising fossil-fuelled energy prices, and retaining economic benefit locally;
- d) establish a significant 'community fund' for re-investing in local energy projects in the area;

7 OTHER OPTIONS CONSIDERED

7.1 Working with commercial companies to deliver similar projects: Some other local authorities have various procurement arrangements with for-profit companies. However, in this case the profits from energy projects are not reinvested locally, representing less value for the area. The social benefits of local ownership of energy, community involvement in projects and the development of a local low carbon supply chain would also not be as fully realised.

7.2 Working with organisations that are similar to BWCE: We have not found any other local organisations who can provide the same benefits as BWCE of being non-profit, reinvesting revenues into a community fund and being owned by local people via community share offers (as noted, BWCE's uniqueness is also recognised at a national level through their receipt of several community energy awards). Our work would make us aware if there were any other organisations in the district offering similar benefits. For example, our Community Sustainability Officer coordinates a Community Energy Forum and works with the Stronger Communities team to support energy groups throughout the district, some of which are considering becoming enterprises (e.g. Transition Keynsham). We also monitor planning applications to make us aware if any community projects get to the delivery stage. Hopefully, similar enterprises will emerge as the national landscape for community renewables becomes more favourable and were such groups to form, we could consider invoking our Localism Act powers to work with them based on their ability to contribute to our policy objectives.

7.3 The Cooperation Agreement is not an exclusive agreement, and the Council can choose to pursue other options should it be in its interests to do so and would positively consider any other organisation's proposals that achieved the same aims.

8 CONSULTATION

8.1 For the renewed Cooperation Agreement, we have consulted with the Strategic Director for Resources Andrew Pate, Cllr Paul Crossley and Cllr David Martin. We

have also sought input and approval from Legal Services, who have provided revisions to the Cooperation Agreement.

8.2 To establish the original Cooperation Agreement, we brought the thinking behind working with BWCE to Informal Cabinet, the Parish Liaison Forum, PID Group, the Environmental Sustainability Partnership (which contains other public sector bodies), the Strategic Director for Resources & Support Services and the Chief Executive. We have worked with staff in Children’s Services and Property Services to facilitate the school solar projects. We have worked extensively with Legal Services and Procurement to formulate the Cooperation Agreement. Legal Services drafted the Agreement.

9 RISK MANAGEMENT

9.1 The risks highlighted in the risk assessment submitted for the initial Cooperation Agreement in 2011 are still current. The mitigation measures identified in the risk assessment are being undertaken and will continue to be implemented. The risk assessment can be found [here](#).

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Background papers	<ul style="list-style-type: none"> • Bath & North East Somerset Council and Bath & West Community Energy Cooperation Agreement: available as an Appendix to this paper • Cabinet papers from October 2011 when initial Cooperation Agreement was adopted are available at the link here: http://modern.gov/ieListDocuments.aspx?CId=122&MId=3241&Ver=4
Please contact the report author if you need to access this report in an alternative format	