

**BATH & NORTH EAST SOMERSET COUNCIL AND
BATH & WEST COMMUNITY ENERGY COOPERATION AGREEMENT**

This Cooperation Agreement is made on the _____ 2014

BETWEEN: Bath and North East Somerset Council of the Guildhall, High Street, BA1 5AW, United Kingdom (“**B&NES**”);

AND: Bath & West Community Energy Ltd (Registered IPS number IP 30960R) of 33, Apsley Road, Bath BA1 3LP United Kingdom (“**BWCE**”)

Collectively referred to as the “**Parties**” and each a “**Party**”.

1. Introduction

- 1.1. B&NES has a pivotal role in tackling climate change by reducing carbon emissions from its own estate and operations, encouraging and enabling its residents, businesses and visitors to reduce their carbon emissions and by achieving national priorities such as domestic energy efficiency and the deployment of renewable energy in a locally appropriate way.
- 1.2. Under Section 2 of the Local Government Act 2000 B&NES has 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. Under Section 1 of the Localism Act 2011 B&NES also has a general power of competence to do anything which individuals may generally do.
- 1.3. BWCE is a community enterprise set up in 2010 by local people to develop community-based renewable energy and energy efficiency projects (Projects) within the Bath area. It is an Industrial and Provident Society established for the benefit of the Community. Further details are contained in the Appendix to this Agreement.

2. Purpose

The key purpose of this Agreement is to set out how the Parties will cooperate in order to:

- 2.1. Enable B&NES to deliver its commitments below:
 - a. The Public Services Board vision for the area to be a *“beautifully inventive and entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing”*
 - b. The Healthy and Sustainable Places theme in the Health & Wellbeing Strategy which seeks to build community resilience.
 - c. The Sustainable Communities theme in the Economic Strategy

- d. The aim of the Environmental Sustainability Partnership (ESP) to provide the leadership for a 45% cut in district wide CO₂ emissions, as set out in the Environmental Sustainability & Climate Change Strategy.
- e. The target in Policy CP3 of the adopted Core Strategy which is to facilitate the installation of 110MW of renewable heat and 165MW of renewable electricity capacity by 2029. CP3 states that a criterion for the assessment of renewable energy proposals is their contribution to significant community benefits.
- f. The Economic, Environmental and Social Wellbeing principle in the Think Local Procurement Strategy which states that *'We will prioritise Social Value for our community. This means targeting opportunities for the local economy, providing for a sustainable future and supporting the vulnerable'*. The Procurement Strategy cites B&NES's work with BWCE as an exemplar of the Think Local approach, since BWCE provides social value for the District including supporting local green jobs by working with local contractors where possible.

2.2. Build community resilience, for example, by alleviating the impact of rising fossil-fuelled energy prices, and retaining economic benefit locally.

2.3. Continue the contribution of renewable energy revenues into the Bath & West Low Carbon Community Fund to support low carbon projects within the B&NES area (the District).

2.4. Support BWCE to become a robust and successful Community Enterprise

3. Identification and Development of Energy Projects and Other Opportunities

3.1. The Parties agree to work together to identify

3.1.1 Projects within the District.

3.1.2 Opportunities for joint research that will help underpin and make the case for maximising the proportion of the District renewable energy target delivered as community-based Projects

3.1.3 Opportunities for people living and or working in the District to invest and secure a return from Projects within the District

3.1.4 Further opportunities for joint working

3.2. B&NES will help BWCE to identify Projects on publicly owned estates and the River Avon and will facilitate working with ESP partners such as the Environment Agency.

3.3. BWCE will decide whether it wishes to take Projects forward and at its own cost prepare a budget and work plan, the contents of which will be submitted

for consideration at a later date by the Parties. If the Parties decide to implement a Project that Project will be the subject of separate agreements by them.

- 3.4. The Parties will consider opportunities for working together to test the level of interest for Projects amongst different target groups, for example, schools and communities.
- 3.5. BWCE will continue to provide advice to B&NES on energy issues throughout the District, at BWCE's discretion.
- 3.6. B&NES will continue to take a corporate approach to cooperating with BWCE across all Directorates and Services. This may include the facilitation of Projects through B&NES' strategic partnerships and bodies, and through strategic planning processes, if appropriate. This Agreement may also facilitate the incorporation of BWCE Projects into B&NES' capital projects.
- 3.7. This Agreement will not limit the scope of activities that could be considered and pursued in partnership to deliver B&NES long-term carbon reduction ambitions. Activities could include a broad range of energy services relating to energy efficiency and use, as well as energy generation.
- 3.8. Projects to be undertaken by BWCE will be subject to the same planning and development management regime as all other planning applications and will not be given preferential treatment as a result of this Agreement.

4. Procurement and Exclusivity

- 4.1. The Parties agree that they will be open and transparent on the procurement of services and goods for individual Projects.
- 4.2. The Parties will work together to identify any mechanisms under which BWCE may become a preferred partner with B&NES for related services and goods in the District as opportunities arise and will, where feasible and appropriate, support the development of related local supply chains and support local businesses by using labour and materials from within the District.
- 4.3. Where necessary or appropriate, a joint procurement process will be used to comply with EU procurement rules.
- 4.4. Both Parties reserve the right to work independently or with other organisations or partners on Projects within the District.

5. Investment

- 5.1. The Parties may work together to investigate the potential for other funding mechanisms, to be determined.
- 5.2. B&NES may consider investment in BWCE Projects, including appropriate policy loan investments on terms that are State Aid compliant.

6. Governance and accountability

- 6.1. A Steering Group will be established comprising two (2) representatives from B&NES and two (2) from BWCE with ad hoc attendance at Steering Group meetings as required.
- 6.2. The Steering Group will meet at least once annually to review progress on achieving the aims of this Agreement and work diligently to overcome barriers.
- 6.3. The Steering Group will be sponsored by a Strategic Director of B&NES, and chaired by a Divisional Director who may appoint an authorised representative.
- 6.4. Each Party will appoint a representative to oversee the administration and day-to-day running of the matters falling within the scope of this Agreement and bring any issues that arise to the attention of the Steering Group. Meetings of the Steering Group will be convened by the B&NES representative.
- 6.5. An annual report specific to this Cooperation Agreement will be jointly produced by the Parties by the end of August in each year. The report will set out the achievements of the Parties as well as any areas of concern and any proposal to update or amend this Agreement. This report will include an audited financial statement from BWCE to show how revenue has been allocated between the priorities listed in 6.6. a-d.
- 6.6. The Agreement is entered into on the understanding that BWCE will re-invest revenues it generates from Projects into the Bath & West Low Carbon Community Fund to support further local projects that contribute to carbon reduction in the area. The intention of the Parties is that Community Fund revenues accrued from Projects within the District will be reinvested only within the District. Investment into the Community Fund, in terms of amount and regularity, will be dependent on the availability of revenues once other higher priority commitments have first been satisfied by BWCE, and will be subject to review by the Steering Group. The priority of revenue allocation will be as follows:
 - a. Loan repayment
 - b. Payment of interest to BWCE members
 - c. Funding of continuation and development of BWCE
 - d. Payment into Bath & West Low Carbon Community Fund

7. Publicity, Communications and Community Engagement

- 7.1. The Parties will develop a joint communications plan and publicise the cooperation outlined in this Agreement and the wider importance, principles and benefits of Projects, in such a manner as agreed in writing by them.
- 7.2. All publicity material relating to this Agreement or any of the joint work referred to within it will be agreed in writing by both Parties.
- 7.3. The Parties will work together to maximise community involvement and community benefits from renewable energy. This includes raising awareness of renewable energy and utilising existing community forums, for example the Connecting Communities programme. As part of this, the Parties will share plans for community engagement around renewable energy in Bath and North East Somerset at an early stage to ensure that the relevant stakeholders are informed and to enable a coordinated approach if desirable.

8. Term and Variation of this Agreement

- 8.1. This Agreement will remain in force for a period of 5 years from the date on which it is signed by both Parties. The Parties may agree in writing to extend the term of this Agreement on an annual basis for up to a maximum of two additional years.
- 8.2. The Parties may vary this Agreement at any time upon their joint written agreement.

9. Costs

- 9.1. Any costs incurred in respect of this Agreement will be for the account of the Party incurring those costs.

10. Freedom of Information

- 10.1. BWCE acknowledges that B&NES is subject to the requirements of the Freedom Of Information Act and the Environmental Information Regulations and will assist and cooperate with B&NES (at BWCE's expense) to enable B&NES to comply with these Information disclosure requirements.

11. Status of Agreement

- 11.1. This Agreement is a statement of intent and does not create legal obligations between the Parties.

Signed

On behalf of B&NES:

Signature _____

Name _____

Position _____

On behalf of BWCE:

Signature _____

Name _____

Position _____

APPENDIX 1: BACKGROUND TO BATH & WEST COMMUNITY ENERGY:

Bath & West Community Energy (BWCE) is a community enterprise set up by local people to develop renewable energy and energy efficiency projects in the Bath area. It is an Industrial and Provident Society established for the benefit of the community and registered with the FSA.

Its founder directors bring a wealth of renewable energy, energy efficiency, community, legal and engineering experience and expertise.

Since it was founded in 2010, BWCE has installed a number of renewable energy projects both within and outside of the District including solar PV on six B&NES schools. As of July 2014 BWCE had garnered over £2.2m of investment in renewable energy and contributed over £20,000 of surplus profits into the Bath & West Low Carbon Community Fund which has been set up as an independent charity. BWCE has also provided a return of 7% per year to its member shareholders, 90% of whom are local residents. BWCE may in the future split into two enterprises; one to manage the project development side of their work, and one to manage capital projects.

In addition to this, BWCE has actively supported other community energy groups in the area and has had a strong input into national policy, such as DECC's Community Energy Strategy. BWCE's status as a leader in the community energy movement has been recognised through the receipt of national and regional awards.

The first three-year Cooperation Agreement between B&NES and BWCE covered the period October 2011 to October 2014. Full information on BWCE including their annual reports can be found at their website: www.bwce.coop.