

BATH AND NORTH EAST SOMERSET

RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL

Monday, 29th September, 2014

Present:- Councillors Colin Barrett, Paul Myers, Nigel Roberts, Robin Moss (Chair) (In place of John Bull), Rob Appleyard (In place of Roger Symonds), Tim Warren (In place of Charles Gerrish) and Francine Haeberling (In place of Barry Macrae)

Also in attendance: Councillor David Bellotti – Cabinet Member for Community Resources; Councillor Paul Crossley – Council Leader and Councillor Liz Richardson – Call-in Lead Member

38 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

39 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

40 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor John Bull (Chairman) sent his apologies and was substituted by Councillor Robin Moss.

Councillor Roger Symonds (Vice Chair) sent his apologies and was substituted by Councillor Rob Appleyard.

Councillor Charles Gerrish sent his apologies and was substituted by Councillor Tim Warren.

Councillor Barry Macrae sent his apologies and was substituted by Councillor Francine Haeberling.

41 DECLARATIONS OF INTEREST

There were none.

42 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

43 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Statements and questions received are included under item 7.

44 POLICY LOAN OF £500K IN WILMINGTON FARM SOLAR ARRAY

Statement from Lead Call-in member – Councillor Liz Richardson *(a copy of the full text of this presentation is held on the minute book)*

Councillor Richardson explained that the call-in is not about objecting to a solar energy farm but only whether the loan is a wise and prudent use of tax payers money. She outlined the three main reasons for calling in the decision:

- Why was the due diligence not completed before the decision was made?
- Why were other options not considered for the use of this money?
- Why are there no figures on how many 'green jobs' will actually be created from this allocation from the fund?

She added that she felt that more information is required on this and urged the Panel to uphold the Call-in.

Questions from the Panel to the Lead Call-in Member

Councillor Nigel Roberts asked if the Lead Call-in member had put the questions to the relevant officers including the 151 officer. Councillor Richardson explained that she had but did not get the answer to all of her questions.

Statement from Cabinet Member for Community Resources – Councillor David Bellotti *(a copy of the full text of this presentation is held on the minute book)*

Councillor Bellotti stated that The Green Investment & Jobs Fund (£1m) was approved by Council in February 2014 and pointed to the Council's renewable energy targets and policies. He explained that this decision had been made subject to due diligence as is usual Council practice. He stated that he felt the loan represents a reasonable and prudent investment. Councillor Bellotti gave examples of other authorities lending at 5% which compared favourably with the loan to BWCE (Bath & West Community Energy) and also to the Government encouraging Local Authorities to borrow from the public loan works board to fund energy projects. He went on to report that the due diligence had now been completed and that PWC (Price WaterHouse Cooper) had judged the business case as reasonable and Arlinghouse had approved.

Questions from the Panel to the Cabinet Member

Councillor Francine Haerberling asked if it is right for the Council to invest money when a number of Councillors are investors in the project. Councillor Bellotti replied that it is a business decision. He further explained that he is not an investor in this company but had contributed to other bodies and would hope that this would not preclude him from supporting them in other ways.

Councillor Barrett asked who made the first approach regarding the loan and if the Council are committed to further investment. Councillor Bellotti explained that a co-operation agreement was signed in 2011 between the Council and BWCE and this

proposal had come up as a result of this agreement. He further explained that there was still £500k in the budget and no further commitments.

Councillor Tim Warren asked how many local jobs would be provided as a result of the project. Councillor Bellotti explained that the £1m approved by Council was for green investment as well as jobs. He explained that the local farm needs to diversify like other farms and this project would provide many more years of business securing all the jobs there currently. Also jobs in manufacturing would be provided. Councillor Warren asked how many agricultural jobs will be lost due to the land not being cultivated, he also stated that he did not think sheep could still graze the land among the panels. Councillor Bellotti explained that he had observed solar farms in Cornwall with sheep grazing.

Councillor Warren asked if any alternatives have been considered. Councillor Bellotti responded that a co-operation agreement exists with BWCE and he is unaware of anyone else who has formed a company such as this, they are unique in that profits are put back into the community.

Councillor Warren asked about the life of solar panels. Councillor Bellotti explained that they have a residual value and the Council would have first call upon them. On taking advice from the 151 officer, he further explained that if the company folds, the Council would step in and take over the project.

Councillor Warren stated that, as the due diligence report had been received on Thursday 25th September, this was outside the call-in period. Councillor Moss noted that there was an issue with the timetable for the call-in and the due diligence deadlines.

Councillor Myers asked if there were any other options to spend the green fund. Councillor Bellotti explained that there are very few choices for the Council to invest in energy, if individual households are invested in, the number of residents who would benefit from this would fall well below that of the project with BWCE. He explained that BWCE is the only community interest based company in Bath and North East Somerset and if any other such companies came up, he would look at it. He added that the £1m in the Capital Programme approved in this area cannot be used for revenue projects such as toilets.

Councillor Myers asked if the Council is making the loan because it wishes to or because the project could not go ahead without the loan. Councillor Bellotti explained that BWCE is a local Community Benefit Company with many local shareholders who are our residents. He stated that the Council was only putting forward 20% of the project costs.

Statement from the Council Leader – Councillor Paul Crossley

Councillor Crossley explained that the £1m budget for green investment fits in with a number of Council strategies and is also about community engagement. He explained that he has no shares in BWCE but thinks it is a good model. He explained how it had been exhilarating to see people at the share offer launches and explained that the Council and investors will get their money back. He further explained that BWCE is rated as the best energy company in the Country. He stated that he had no

problem answering questions on the decision but hoped that the Panel dismiss the call-in.

Questions from the Panel to the Leader

Councillor Warren stated that the decision papers are thin and there is not much information in them. Councillor Crossley stated that he did not agree and he felt they had all the information they needed to make the decision.

Councillor Haeberling stated that a number of elected members would gain due to this investment by the Council and she feels uncomfortable with this. Councillor Crossley stated that he took a counter view, he is delighted that some Councillors have invested, we all invest in the pension fund and this is the same model. He stated that he felt there is no conflict, there is a cooperation agreement, it is all above board and we should be celebrating. The Chairman Councillor Moss reminded all present that any Councillors with financial interests in BWCE have withdrawn from the Panel meeting today and arranged for substitute members to sit on the Panel. He confirmed that the Panel members considering this call-in have no investments in BWCE.

Councillor Barrett stated that if the project is due to start in December, where is the democracy. Councillor Crossley responded that democracy is all around this decision, the Council approved the budget, it is in line with Council policies on which there has been wide discussion. He stated that the loan is based on democratic decisions at all stages. The Chairman Councillor Moss added that the fact that the Panel is hearing the call-in shows that the democratic process is working.

Councillor Myers stated that it is his job as a scrutiny panel member to ask questions. He asked if the statement that BWCE is the best in the country is an opinion or an official status. Councillor Crossley explained that the company had won 'Best Performing Energy Company' at the Community Organisations Awards this year which is country wide.

Items from the Public and Councillors

William Hobhouse *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Hobhouse made a statement in support of the loan and urged the Panel to dismiss the call in.

Nicolette Boater *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Ms Boater made a statement supporting the call-in process on this decision.

Pete Capener – Chair of Bath and West Community Energy *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Capener made a statement providing some background on BWCE and supporting the approval of the loan.

Panel members asked the following questions:

Councillor Warren stated that he was not against BWCE, he asked how many permanent local jobs were involved. Mr Capener responded that he employs 3-4 full time equivalents, the project would safeguard these jobs and grow.

Councillor Warren asked what banks had been approached. Mr Capener explained he had been to a number of banks.

Councillor Warren asked how the community would benefit from the project. Mr Capener responded that the Council will receive good commercial return and a surplus which could go into Council revenue projects.

Councillor Warren asked what the £700k would be used for. Councillor Crossley responded that discussions had been started about how the fund will be allocated.

Councillor Barrett asked if Curo had been approached. Councillor Crossley explained the 'Energy at Home Programme'.

Philip Haile *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Haile made a statement stating that he felt the scrutiny on the decision was not unreasonable but that he felt the decision should not be delayed.

Nick Francis *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Francis made a statement about the decision of his church to disinvest in any companies involved in fossil fuel extraction and take up investments in renewable energy. He urged the panel to dismiss the call-in.

Councillor David Martin *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Councillor Martin made a statement supporting the loan and stating that he felt the call-in request had been satisfactorily answered. He urged to panel to dismiss the call-in so that the project can proceed in a timely manner.

Mr WR Cudlipp *(a copy of the full text of this presentation is appended to these minutes and held on the minute book)*

Mr Cudlipp asked some questions and the Chairman referred to the circulated answers.

The Chairman referred to another set of questions (from Helen Dudden) and answers circulated.

The Chair announced a 10 minute adjournment.

When the Panel reconvened, the Chairman asked Panel members if they had any further comments or questions before the closing statements.

Councillor Tim Warren stated that he had found the meeting to be very informative, although he had had some concerns with the process. He stated that he felt BWCE are a good company and he did not want to delay the project. He proposed that the call-in be dismissed and that a report be sent for information to the November (2014) Council meeting. Councillor Francine Haeberling seconded the proposal.

Closing statement – Cabinet Member for Community Resources

Councillor Bellotti explained that he has been happy to provide information at this meeting and is grateful to the Conservative group for not holding up the implementation of the decision. He referred again to the budget of £1m being agreed by Council and relevant Council policies. He noted other Council's lending at lower rates of interest and also the Government policy on green energy projects. He concluded that he had made the decision based on a business and finance point of view and was happy to provide more information. He stated that he is grateful that the call-in is likely to be dismissed.

Closing statement – Lead Call-in Councillor

Councillor Richardson thanked all present and welcomed the open and democratic discussion. She stated that it would have been useful to have had more information before today as there had been a lot of unanswered questions. She concluded that the majority of questions had been answered and was comfortable with the call-in being dismissed.

The Chair stated that each panel member would be given 3 minutes to make comments and indicate their decision:

Councillor Warren stated that his one concern is the due diligence period and the call-in timeline. He stated that he had not once wanted to stop the solar farm being built.

Councillor Nigel Roberts stated that he is in favour of dismissing the call-in. He thanked all who contributed.

Councillor Haeberling stated that she was grateful that this discussion had been had in public and now that all the information is available, there is cross party agreement. She added that she remained concerned that some Councillors will be benefitting from this decision.

Councillor Barrett stated that he felt the call-in had been essential and given the opportunity to debate and come to the right answer.

Councillor Myers stated that he felt some concerns over the process and stated that the call-in had been an education.

Councillor Appleyard stated that the call-in had been a useful exercise. He stated that Councillors can get information from officers and Cabinet Members outside of meetings. He added that the Council had a strong 'Declarations of Interest' regime and that it is up to individual Councillors to declare their interests.

The Chairman Councillor Moss stated that there had been interesting debate and a balance is needed between this process and the need to make timely decisions. He explained that a report to Council will mean information heard today will be disseminated. He agreed that Councillors can speak to officers outside of meetings but noted that members of the public cannot always do that. He stated that he would be concerned if Councillors could not invest for example in Credit Unions. He asked if the system is right in that the call-in process is not always in line with due diligence processes. He added that this green project is a good use of £500k.

Decision

On a recommendation from Councillor Tim Warren, seconded by Councillor Francine Haerberling, it was agreed to:

- 1. Dismiss the call-in (the decision shall then take effect immediately); and**
- 2. Report to Council (November 2014) on the Panel's deliberations and decision (Information Only report).**

The meeting ended at 12.15 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services