

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cllr Mark Shelford, Cabinet Member for Transport and Environment	
MEETING/ DECISION DATE:	On or after 17/3/2018 (for single Member decision)	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3049
TITLE:	Keynsham Community Energy Cooperation Agreement	
WARD:	Keynsham Area wards: Keynsham North, Keynsham South, Keynsham East, Farmborough, Publow and Whitchurch, Saltford as per the Connecting Communities Keynsham area.	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Please list all the appendices here, clearly indicating any which are exempt and the reasons for exemption <ul style="list-style-type: none">• Appendix 1: Keynsham Community Energy Cooperation Agreement		

1 THE ISSUE

- 1.1. To enter into a Cooperation Agreement with Keynsham Community Energy (KCE), using as a template the existing Cooperation Agreement with Bath & West Community Energy (BWCE). KCE has the same structure and purpose of BWCE; it is a local social enterprise which aims to develop renewable energy and energy efficiency projects in the Keynsham area. KCE will retain the economic benefits of renewable energy in the local area, and involve communities in their energy projects.
- 1.2. As is the case with BWCE, the Cooperation Agreement would create a framework for the Council to support and work with KCE on projects that help to achieve the Council's aims to reduce carbon emissions and increase local resilience.
- 1.3. The Cooperation Agreement with Bath and West Community Energy (BWCE) was adopted in 2011 and renewed in 2014. It has enabled strong partnership working between the Council and BWCE.

2. RECOMMENDATION

- 2.1. The Cabinet Member is asked to agree that the Council should enter into a Cooperation Agreement with KCE for five years, from 2017 to 2022.

3. RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1. The Cooperation Agreement contains no financial or property obligations, stating only that the Council and KCE 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.
- 3.2. The Cooperation Agreement will require 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 KCE Cooperation Agreement is 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 2029. It will also help meet the target in the adopted Placemaking Plan to install 110MW of renewable electricity and 165MW of renewable heat by 2029.
- 4.2. **Equality:** As with the BWCE Cooperation Agreement, an Equality Impact Assessment for the KCE Cooperation Agreement has not raised equality issues. Support will be provided for KCE to take equality into account in their overall approach and assess future projects that may arise as a result of the Cooperation Agreement for equality impacts.
- 4.3. **Legal power:** The legal power to work with KCE 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. KCE's work to mitigate climate change contributes to meeting the legally binding commitments in the Climate Change Act 2008 and the objectives of the Clean Growth Strategy 2017, the aim of which is to "deliver increased economic growth and decreased emissions". The Clean Growth Strategy states that the green economy is growing at 11% per year, much faster than the economy as a whole, and represents an important part of positioning the UK to be globally competitive.

5. THE REPORT

- 5.1. **Meeting our strategic aims:** 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; leading by example; partnership working and community enablement.
- 5.2. Our work with KCE through a Cooperation Agreement would follow all three of these strategic approaches. It strengthens our position as a national leader in

supporting community energy. It provides a vehicle for partnership working and enables a community group to deliver on the Council's objectives.

- 5.3. **The Cooperation Agreement:** The template for the KCE Cooperation Agreement is the Bath & West Community Energy (BWCE) Cooperation Agreement which was adopted in 2011 and renewed in 2014. The BWCE Cooperation Agreement has been recognised as a pioneering way for local authorities to work in partnership and has since been adopted by other Councils to support community energy and also by B&NES in other areas, for example our joint working with North Somerset Council. 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 has been instrumental to BWCE's success, providing them with their first project, the installation of solar panels on the roofs of six B&NES schools. Since then, BWCE has raised over £9m to invest in renewable energy projects, set up a new co-op, Mongoose Energy, to support other community energy enterprises and reinvested £115,000 in community projects.
- 5.5. The KCE Cooperation Agreement would mean that the Council and KCE would agree to work together to identify and bring forward energy projects within the district. The Cooperation Agreement attached is largely the same as the BWCE Agreement, with revisions to reflect the smaller area covered by KCE.
- 5.6. **Keynsham Community Energy:** KCE is unique in the Keynsham area, as a not-for-profit organisation set up by local people. KCE will keep the majority of the economic benefits in the area, through a local share-ownership model and importantly, the reinvestment of surplus revenues into the KCE Community Fund.
- 5.7. KCE is a relatively new organisation, as was BWCE when the first Cooperation Agreement was adopted. BWCE was founded by members of the successful local environmental group Transition Bath and KCE similarly has been founded by members of Transition Keynsham, including energy professionals.
- 5.8. KCE, like BWCE, are looking to install their first solar PV array on a project with Council involvement; the redevelopment of the Keynsham Riverside offices into residential units by the Council's 100% owned development company, ADL.
- 5.9. **Delivery partner - Mongoose Energy:** Unlike when BWCE first started, there is now well-established support for new energy enterprises, through BWCE's sister not-for-profit organisation Mongoose Energy, which was set up to provide new energy enterprises with the technical and financial expertise. Mongoose Energy has successfully helped nine other community energy enterprises develop their first projects. KCE has an agreement with Mongoose Energy to deliver the Riverside project if it progresses.
- 5.10. **Sustainable Keynsham:** A KCE Cooperation Agreement could add to the burgeoning image of Keynsham as a sustainable place to live, following

Project Delivery's two exemplar sustainable buildings; the Keynsham Civic Centre and the Avon Fire & Rescue depot, and the aspiration in the draft Joint Spatial Plan for the North Keynsham development site to be zero carbon. If the Riverside project progresses, the publicity from the resulting community share offer could raise the profile of renewable energy in the area significantly.

6. RATIONALE

- 6.1. This Cooperation Agreement enables the Council and KCE 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 by 2029;
 - b) maximise the proportion of the Placemaking Plan's renewable energy target in the Placemaking Plan that will be delivered using a community model;
 - c) build community resilience, for example, by alleviating the impact of rising fossil-fuelled energy prices, providing greater local energy security and retaining economic benefit locally;
 - d) establish a significant 'community fund' for re-investing in local energy projects in the area;
 - e) assist in the regeneration of Keynsham by boosting the town's sustainability credentials
 - f) Provide key support to the forthcoming B&NES local energy tariff; the intention is to include local renewable power as part of a local green tariff offer.

7. OTHER OPTIONS CONSIDERED

- 7.1. Working with commercial companies to deliver similar projects: In this case the profits from energy projects are not reinvested locally, creating 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 not be as fully realised.
- 7.2. Working with organisations that are similar to KCE: We have not found any other local organisations who can provide the same benefits as KCE in the Keynsham area, of being non-profit, reinvesting revenues into a community fund and being owned by local people via community share offers. Our community engagement work would make us aware if there were any other organisations in the district offering similar benefits.
- 7.3. The only organisation that could operate in the Keynsham area and provide similar benefits is BWCE itself. However, this would miss the opportunity for greater local engagement through KCE's connection to their area, and to create more capacity within the district in the form of another local energy enterprise. BWCE fully supports KCE and the principle of operating at the most local level.

7.4. As with the original BWCE Agreement, the KCE 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. Legal Services have advised that there are no issues with the KCE Cooperation Agreement given that it follows the same format as the existing BWCE Cooperation Agreement.

8.2. The original BWCE consultation was formulated following extensive consultation with the Procurement team and the principles of the KCE Cooperation are the same.

9. RISK MANAGEMENT

9.1. A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Sara Grimes</i>
Background papers	<i>KCE Cooperation Agreement</i>
Please contact the report author if you need to access this report in an alternative format	