

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	12 October 2011	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2318
TITLE:	Bath Community Energy Cooperation Agreement	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1: Bath Community Energy Cooperation Agreement		
Appendix 2: Equalities Impact Statement		
Appendix 3: Risk Assessment		

## **1 THE ISSUE**

- 1.1 The Cabinet is asked to agree to the Council entering into a Cooperation Agreement with Bath Community Energy (BCE). BCE is a new, local, social enterprise which is developing renewable energy and energy efficiency projects in Bath & North East Somerset and the local area. BCE is set up to retain the economic benefits of renewable energy in the local area, and involve communities in their energy projects.
- 1.2 The Cooperation Agreement would create a framework for the Council to support and work with BCE on projects that help to achieve the Council's aims to reduce carbon emissions and increase community capacity and resilience.

## **2 RECOMMENDATION**

The Cabinet agrees that:

- 2.1 The Council should enter into a Cooperation Agreement with BCE

### **3 FINANCIAL IMPLICATIONS**

#### **3.1 Financial implications (statutory requirement).**

The Cooperation Agreement contains no financial obligations, stating only that the Council and BCE may work together to investigate the potential for funding mechanisms, to be determined.

### **4 CORPORATE PRIORITIES**

The following corporate priorities would be furthered by this Cooperation Agreement:

- *Improving school buildings:* The first possible BCE project is installing solar panels on schools in the district.
- *Sustainable growth:* By retaining and reinvesting revenues locally, and sourcing local subcontractors and materials where possible, BCE will help develop the low carbon economy in our area.
- *Addressing the causes and effects of Climate Change:* If BCE's 2014 target is met, around 3,500 tonnes of CO<sub>2</sub> will be saved annually across all projects (most of which will be delivered within Bath and North East Somerset, with a few crossing into West Wiltshire).

### **5 THE REPORT**

5.1 The Council 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.

5.2 As described in the Sustainable Community Strategy, we intend to do this through partnership working and community enablement, including the enablement of local social enterprises.

5.3 BCE is unique in our area, being a not-for-profit organisation set up by local people. It will keep the majority of the economic benefits of renewable energy local, through a local share-ownership model and the reinvestment of a portion of its revenues into a recycling fund for further energy measures.

5.4 Under the Cooperation Agreement, the Council and BCE agree to work together to identify: 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; other funding opportunities.

5.5 As part of its role in enabling and encouraging active communities and citizens, the Council may choose to use this type of agreement in other situations.

5.6 The Council may properly consider that following the course of action proposed will assist in improving the environmental well-being of its area and is thus authorised by Section 2 of the Local Government Act 2000 bearing in mind the following provisions of its Sustainable Community Strategy to 'provide the leadership to help our communities to help people reduce carbon emissions across the area by 45% by 2026' and 'to enable the development of clean, local, sustainable energy sources and systems'.

## **6 RISK MANAGEMENT**

- 6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance (see Appendix 3).
- 6.2 Some reputational risks are identified should BCE fail to thrive and deliver either sufficient projects or sufficient revenue, with Council support seen as an important mitigating factor.

## **7 EQUALITIES**

- 7.1 An Equalities Impact Statement has been completed using corporate guideline (see Appendix 2)
- 7.2 Whilst it is not foreseen that the Cooperation Agreement in itself will raise equalities issues, future projects might, so the Equalities Team will carry out a training with BCE to enable them to identify when further Equalities Impact Statements might need to be completed.

## **8 RATIONALE**

- 8.1 This Cooperation Agreement enables the Council and BCE to work together to help:
  - a) B&NES deliver its Sustainable Community Strategy's aim of providing the leadership to enable a 45% cut in district wide CO<sub>2</sub> 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. This will in turn, help achieve the Sustainable Community Strategy's aim to enable the development of clean, local sustainable energy sources;
  - 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 fund for re-investing in local energy projects in the area;
  - e) BCE to become a financially self-sustaining Community Enterprise.

## **9 OTHER OPTIONS CONSIDERED**

- 9.1 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.
- 9.2 Working with organisations that are similar to BCE: We have not found any other local organisations who can provide the same benefits as BCE

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

## 10 CONSULTATION

10.1 *Cabinet members; Parish Council; Trades Unions; Other B&NES Services; Community Interest Groups; Other Public Sector Bodies; Section 151 Finance Officer; Chief Executive*

10.2 We have brought the thinking behind working with BCE 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.

## 11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 *Sustainability*

## 12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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<b>Sponsoring Cabinet Member</b>	<i>Councillor Crossley</i>
<b>Background papers</b>	BCE Cooperation Agreement ; Equalities Impact Assessment and Risk Assessment
<b>Please contact the report author if you need to access this report in an alternative format</b>	