

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cllr Paul Roper - Cabinet Member for Economic and Cultural Sustainable Development	
MEETING/ DECISION DATE:	On or after 12.05.2026 (for single Member decision)	EXECUTIVE FORWARD PLAN REFERENCE:
		E3699
TITLE:	Keynsham Leisure Centre – Solar lease to Keynsham Community Solar at less than best consideration.	
WARD:	Keynsham North	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Attachment 1. Indicative photos of solar array and cable routes.</p>		

1 THE ISSUE

1.1 Keynsham Community Solar Limited (KCS) proposes installing 215 solar photovoltaic panels on the roof of the single-storey element of Keynsham Leisure Centre.

1.2 Bath & North East Somerset Council (B&NES) would grant KCS a 25-year lease of the relevant roof area at a peppercorn rent. As this is less than best consideration, a decision under the Single Member Decision (SMD) is required.

1.3 KCS would enter into a 25-year Power Purchase Agreement (PPA) with the leisure centre operator/end user, GLL. As GLL's lease from B&NES expires in 2040 (approximately 14 years remaining), it is proposed that B&NES acts as guarantor to the PPA to address the mismatch in term.

1.4 The adjoining 90-flat residential development (Riverside View) is held under a 250-year lease from 2017 and is managed by Riverside View Tenant Management Company Limited. The solar installation does not physically encroach onto the residential demise, but its visual impact (and any implications under the residential lease) must be considered.

1.5 While the proposals carry legal, financial and operational risks (notably the below-market rent and the PPA term mismatch), these are mitigated through the lease and contractual structure, independent structural sign-off, and the limited impact on Council resources. On balance, the project is a proportionate way to partially decarbonise a significant energy user in the district.

1.6 In addition to advancing our decarbonisation programme, the solar installation brings wider benefits. It improves the sustainability and resilience of our leisure facilities, demonstrates leadership in environmental responsibility, and strengthens the partnership with GLL. The project also supports our community profile, showing commitment to energy efficiency and climate action, which can positively impact public perception and engagement.

2 RECOMMENDATION

2.1 To approve the granting of the proposed lease and related arrangements, subject to the mitigations set out in section 3.7, and to delegate to the Head of Corporate Estate and officers the negotiation of the lease, via solicitors and completion thereof.

2.2 The project supports the Council's decarbonisation agenda and provides a visible, community-led investment in local renewable generation. KCS is a joint venture between Bath & West Community Energy and Keynsham Community Energy.

3 THE PROPOSAL

3.1 Keynsham Community Solar Limited (KCS) proposes installing 215 solar photovoltaic panels on the roof of the single-storey element of Keynsham Leisure Centre.

3.2 KCS proposes a 104 kWp system. By comparison, a typical domestic installation is around 4 kWp; this scheme is therefore approximately 26 times larger. KCS estimates the installation will offset over 19 tonnes of carbon in year one through reduced grid import.

3.3 KCS intends to raise approximately £100,000 through a share offer aimed at local investors. Financial Conduct Authority (FCA) rules apply.

3.4 The electricity generated would be supplied directly to the leisure centre operator, GLL.

3.5 Planning consent was granted in January 2025.

3.6 As B&NES controls the roof area, it would grant a 25-year lease to KCS (section 1.2). KCS would enter into a 25-year PPA with GLL (section 1.3).

3.7 Risks and mitigations

1. Under-value lease (peppercorn rent). The 25-year lease is proposed at a peppercorn rent, which is less than best consideration and requires an SMD. **Mitigation:** the Council's decarbonisation objectives and the community-led nature of the project justify the approach; the business case has limited headroom for additional rent without undermining viability.

2. Structural capacity of the roof. The building must be able to bear the additional loading from the installation. **Mitigation:** a structural survey has been completed by KCS and independently reviewed/accepted by a third-party structural engineer (Curtins) appointed for B&NES.

3. PPA term mismatch (GLL lease term vs. 25-year PPA). GLL's current lease expires in 2040, creating continuity risk for KCS over a 25-year PPA. **Mitigation:** B&NES to act as guarantor for the PPA, subject to approval and agreed terms.

4. Counterparty strength / delivery capability. KCS is a newly formed entity (newco) created by Keynsham Community Energy (KCE) and Bath & West Community Energy (BWCE). **Mitigation:** BWCE brings significant delivery experience, with more than 30 completed solar schemes.

5. Impact on the building and future roof works. The solar array may affect access and future repair obligations. **Mitigation:** include a "lift and shift" provision to allow temporary removal/reinstatement where major roof repairs are required (with agreed cost liability) and require an indemnity from KCS for damage arising from the installation (subject to agreement).

6. Residential lease implications (Riverside View). The residential head lease includes both a landlord right to develop the building (including the roof) and a quiet enjoyment clause, which could be argued to conflict. **Mitigation:** the scheme does not encroach physically and is not expected to cause nuisance. Potential issues already addressed are glare from the panels and access for window cleaners.

4 STATUTORY CONSIDERATIONS

4.1 Property Considerations: Under s123 of the Local Government Act 1972, any disposal by the Council of an asset in excess of 7 years (including leasehold interests) must obtain 'best consideration', unless Circular 06/03 The Local Government: General Disposal Consent (England) 2003 disposal of land for less than best consideration that can reasonably be obtained apply or a specific consent is obtained. The general consent allows for specific circumstances where the consent can be applied:

a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;

- i) the promotion or improvement of economic well-being;
- ii) the promotion or improvement of social well-being;
- iii) the promotion or improvement of environmental well-being;

b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

4.2 The lease is for a 25-year period to be granted to a community energy company. The lease will enable a local facility to generate clean energy thus promoting the Councils decarbonisation agenda.

Other considerations:

4.2 Town and Country Planning (General Permitted Development) (England) Order 2015: Part 14, Class J (planning consent granted January 2025).

4.2 Building Regulations 2010: Part A (structural safety—ensuring the building can bear the weight) and Part P (electrical safety). The usual Building Regulations application and sign-off process will apply.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 This is a resource-light undertaking for B&NES. Once installed, the solar panels will be maintained by KCS, and the Council will have no repair obligations for the panels themselves, save that it retains its existing obligations for the roof and structure.

6 RISK MANAGEMENT

6.1 See section 3.7 above.

7 CLIMATE CHANGE

7.1 This initiative supports the Council's Climate Emergency Strategy, in particular the decarbonisation of buildings, and contributes towards the aim of achieving net zero operational carbon emissions by 2030.

8 OTHER OPTIONS CONSIDERED

8.1 Charge a commercial rent for the rooftop lease. Solar companies will generally pay a nominal rent (for example, £1) to lease private roof space where the landlord benefits from cheaper electricity. Here, however, GLL (as tenant/operator) would be the sole beneficiary of the cheaper electricity, not B&NES, and there is no surplus generation proposed.

8.2 This is a relatively marginal scheme: the electricity generated will meet only a proportion of GLL's demand and is constrained by available roof area.

8.3 Given set-up costs, ongoing maintenance, and the need to provide a realistic return (c. 4%) to community investors, an additional rent would likely render the scheme unviable. The business case reviewed does not indicate sufficient surplus to support a rental payment.

8.4 On that basis, insisting on a commercial rent is not recommended.

<p>Consultation has been carried out with the Chief Operating Officer, S151 and Monitoring Officer, as well as the Deputy Leader and Cabinet Member for Economic and Cultural Sustainable Development and the Ward Councillors for Keynsham North.</p>	<p>Richard Holden Head of Corporate Estates and Development.</p>
<p>Background papers</p>	<p>Local Authority Asset Management Best Practice (07: Disposal of Land at Less than Best Consideration) https://democracy.bathnes.gov.uk/documents/s34180/Appx%201%20RICS%20Local%20Authority%20Asset%20Management%20Best%20Practice%2007%20Disposal%20of%20Land%20at%20less%20than%20Best.pdf</p>
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