Growth and Infrastructure Overview and Scrutiny Committee



Date of meeting: 01 March 2023

Title of Report: Chelson Meadow Community Solar - Construction

Loan

Lead Member: Councillor James Stoneman (Cabinet Member for Climate Change and

Governance)

Lead Strategic Director: Anthony Payne (Strategic Director for Place)

Author: Paul Elliott

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Your Reference:

Key Decision: Yes

Confidentiality: Part I - Official

Purpose of Report

This business case seeks to secure an agreement to provide £16.3 million on the capital funding programme in order to provide a long term finance loan to Chelson Community Solar for the construction of Chelson Meadow solar farm. This is following the approval of the in principle business case for the Chelson Meadow Solar Farm in October 2022.

Recommendations and Reasons

It is recommended that:

1. Committee supports the business case being considered at cabinet.

Alternative options considered and rejected

If an external finance provider needed to be found it would delay the building of the solar farm, and the subsequent benefit that flow from this, by at least 12 months. This is due to the time taken to do the due diligence with an external provider and the constrained times of year the solar farm can be constructed.

The Council would miss the opportunity to secure a debt margin of approximately £1.3m if it does not provide the finance for the construction of the solar farm.

Relevance to the Corporate Plan and/or the Plymouth Plan

Directly feeds into the priority 'A green sustainable city that cares about the environment'.

Implications for the Medium Term Financial Plan and Resource Implications:

The solar farm as a whole provides the opportunity to generate an income over the lifetime of the asset (up to 30 years). It also provides an opportunity for The Council to purchase the electricity

generated, this will guarantee and provide certainty over its electricity costs over the long term. The loan in isolation will generate £1.3m of debt margin for the Council.

Financial Risks

The key risk is that Chelson Community Solar defaults on its repayments to the Council. This is mitigated by the ability to accurately forecast the solar farms power generation (and the income that flows from this). This forecasting has completed by leading external experts which provides confidence with regards to its accuracy. The business case within the appendix contains more detail on risks and mitigation.

Carbon Footprint (Environmental) Implications:

Hugely beneficial and positive impact in reducing the Council's carbon emissions predicted to be 60% of carbon emissions and providing 75% of the Council's electricity needs.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

H & S risks will be dealt with as part of the construction process. The conditional planning approval ensured that due regard was given to the impact of the solar farm on the city.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.							
		1	2	3	4	5	6	7	
Α	CMCS Construction Loan Business Case								

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.							
	ı	2	3	4	5	6	7	

Sign off:

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Originating Senior Leadership Team member: Anthony Payne

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 14/02/2023

Cabinet Member approval: Councillor James Stoneman - email

Date approved: 20/02/2023