

CABINET AND EXECUTIVE DECISIONS

URGENT KEY DECISION

6 OCTOBER 2015



This document lists an urgent key decision which has been taken by the Council Leader today in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012. A key decision relates to an executive function which results in the council incurring spending or raising annual income by more than £500,000 (or more than £2,000,000 if that is the total cost of the contract award), results in the council saving more than £1,000,000 (unless the saving has a material impact upon service provision such as a significant change or cessation of service delivery and associated staff redundancies or a significant impact on customers) or is to be significant in terms of its effect on communities living or working in an area comprising two or more wards.

The decision maker referred to in this document is Councillor Tudor Evans, Leader.

For any query regarding this document, please contact the Democratic Support Unit on 01752 304867 or democraticsupport@plymouth.gov.uk.

Democratic Support Unit

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Plymouth PL1 3BJ

LIST OF KEY DECISIONS AND PRIVATE BUSINESS

Reference	Title	Decision Maker and Date of Decision
1068485	Loan to support construction of community owned solar array at Ernesettle	Council Leader 6 October 2015

PLYMOUTH CITY COUNCIL

LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012

NOTICE OF KEY DECISION

The Council Leader has made a key decision on 6 October 2015 in respect of the following:

TITLE: LOAN TO SUPPORT CONSTRUCTION OF COMMUNITY OWNED SOLAR ARRAY AT ERNESETTLE

PURPOSE OF DECISION:

To approve the business case to provide a wholly owned subsidiary of Plymouth Energy Community Renewables Ltd (PECR) with short term construction finance for a community owned solar array at Ernesettle.

To approve the short term (12 month) loan of up to £4.804m to the proposed wholly owned subsidiary of PEC Renewables Ltd, conditional on PECR providing evidence that the project will be able to secure the subsidy rates required for a viable project.

To allocate £3.736m for the project within the Capital Programme.

To delegate approval of the loan agreement to the Strategic Director for Place in consultation with the Cabinet Member for Strategic Transport and Planning.

If a key decision has not been included in the Forward Plan it can still be taken if it is not practicable to be put into the next Forward Plan.

Following publication of a notice in the forward plan, the decision could not be taken until the expiry of the statutory 28 day notice period. The decision is required before this because PEC Renewables need to be in a position to sign contracts for the solar arrays construction during first week of November 2015 and to delay the decision would significantly escalate risks of project not being completed before the required subsidy is cut.

The project must be completed at the very latest by 1st April 2016 because government is proposing drastic cuts to the Renewables Obligation (RO) subsidy that underpins the business case. Projects completed in advance of this will have current level of subsidy 'grandfathered' for 20 years. PCC is being asked for a bridging loan to allow PEC Renewables the time to complete the project in advance of these cuts, and then the time to raise the longer term package of debt and share equity. Due to the drastic nature of the anticipated cuts this project will not be viable after March 2016 and therefore this is the last opportunity to provide a community owned solar at this scale within the city. To minimize risk of project not being energised by end March 2016 PECRs construction contractor have advised we should be signing by first week of November to ensure sufficient lead in and build time.

Government is currently implementing a range of cuts to the financial support mechanisms for renewable energy, and an announcement to clarify the exact level of support this project will be able to receive under RO and when any forecast cuts are to be implemented, is due in the next 3 weeks. Some parts of the industry are forecasting the cuts may land earlier than end of March 2016 and therefore it is prudent to move as quickly towards project completion.

Councillor James (Chair of the Co-operative Scrutiny Board) has agreed that the decision is urgent and it is not reasonable to defer it. The decision will be implemented immediately in the interests of the Council and the public.

DECISION REFERENCE: I068485

The Council Leader considered the report prepared by the Strategic Director for Place.

A copy of the report and any other documents will be available for inspection at 1st Stop Shop, 71 New George Street, Plymouth PL1 1RF.

Further information can be obtained from: Alistair MacPherson, Low Carbon City Team Leader Ballard House, West Hoe Road, Plymouth, PL1 3BJ Tel: 01752 304255 Email: alistair.macpherson@plymouth.gov.uk

NB: The report together with any other documents considered (unless they contain exempt information) will be available for inspection in 1st Stop Shop, 71 New George Street, Plymouth PL1 1RF or on the council's website. Further copies may be requested from Democratic Services but a fee will be payable.