

REPORT OF THE COUNCIL LEADER ON URGENT KEY DECISIONS

In accordance with paragraph 18.3 of the Access to Information Rules in the constitution, urgent key decisions are reported annually to Council for noting.

This report covers the period from May 2015 – March 2016.

LOAN TO SUPPORT CONSTRUCTION OF COMMUNITY OWNED SOLAR ARRAY AT ERNESETTLE

Executive Decision by a Cabinet Member: Councillor Evans (Council Leader)

9 October 2015

Decision:

1. 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.
2. 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.
3. To allocate £3.736m for the project within the Capital Programme.
4. To delegate approval of the loan agreement to the Strategic Director for Place in consultation with the Cabinet Member for Strategic Transport and Planning.

Reason for urgency:

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.

CITY STRATEGIC SITE ACQUISITION

Executive Decision by a Cabinet Member: Councillor Evans (Council Leader)

11 January 2016

Decision:

1. To allow the Council to proactively address urban blight and bring forward one of the city's key sites for redevelopment and regeneration.
2. To proactively "drive" the delivery of additional hotel accommodation in advance of the Mayflower 400 celebrations in 2020.
3. To proactively "drive" the delivery of new residential apartments within the city.
4. To better control the detailed design process and mix of uses in advance of the submission of a planning application.
5. To increase the New Homes Bonus; Council Tax and Non Domestic Business Rates receipt for the Council.
6. To create new training and employment opportunities within the city.
7. To de-risk one of the city's key development sites.
8. To work with private sector developers to redevelop the site providing a new hotel and residential apartments.

Reason for Urgency:

The agreed site acquisition Heads of Terms targets an exchange of contracts in the second week of January 2016. Council approval for the acquisition is required before contracts can be exchanged. If the decision is delayed and published in the subsequent Forward Plan the Council will be in breach of the agreed Heads of Terms and the transaction is unlikely to proceed.