

Invest and Save for a Low Carbon Swindon

Cabinet

Date: 10th September 2014

Author:	Cabinet Member for Strategic Planning and Sustainability, Cabinet Member for Finance and Head of Economy & Skills
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 The report seeks authority to progress an “Invest in Renewables” scheme in support of a Full Council Motion to provide a mechanism to allow residents to invest in renewable schemes. The proposal will support growth of a Swindon low carbon economy, allowing residents the opportunity to benefit from its success through investment.
- 1.2 The low carbon economy is one of five priority areas in the Swindon Economic Strategy and this report provides a practical way in which the Council can act to help secure local economic benefits. This approach will directly contribute to supporting the local economy, the One Swindon priority “We can all benefit from a growing economy and a revitalised town centre” and the Corporate objective “Right skills, right jobs in the right place”.

2. Recommendations

Cabinet is recommended to:

- 2.1 Note that Swindon Borough Council seeks to work with partners such as Swindon Commercial Services Ltd (SCS) who have the experience and capability to delivery successful community investment initiatives.
- 2.2 Authorise the Head of Economy and Skills to work with Swindon Commercial Services (SCS) and other selected partners to develop appropriate investment initiatives which could allow communities to benefit financially from local energy schemes.
- 2.3 Authorise the Head of Communications to work with partners to agree an approach for the promotion of the schemes to local communities with a target date of April 2015.
- 2.4 Note that requests to Cabinet will be required as and when any Swindon Borough Council funding implications arise from proposed schemes.

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3. Detail

Council Motion

- 3.1 On 3rd April 2014 the Council approved the following motion. "The Cabinet Member for Finance present a report to Cabinet as soon as is practical on setting up a Swindon Energy Social Enterprise to provide a mechanism to continue promotion of Collective Energy Switching within the Borough, allow residents to invest in renewable schemes and assist in delivering allowable solutions for zero carbon homes". (Minute 110 of the Council 2013/14 refers). It is intended that the recommendations of this report will consolidate the approach to creating opportunities for residents to invest in renewable schemes.

Swindon's Energy Future

- 3.2 The focus of Swindon Borough Council activity since the last report to Cabinet, "Swindon's Energy Future" on 23rd April 2014 (Minute 114 2013/14 refers), has been to work with SCS Ltd to develop the proposals for solar farms at Common Farm, Wroughton and Chapel Farm sites and for the solar noise barriers on the M4 and A419. SCS Ltd, through a partner, have developed their proposition for investment at Common Farm Wroughton.

Proposition to "Invest in Renewables"

- 3.3 An investment model of debentured bonds will be developed by SCS Ltd for the proposed project at Common Farm Wroughton and this could be a model for similar future opportunities for community investment benefitting Swindon residents. Existing models (such as Big60Million operating its scheme at Willersley Solar Farm) allow residents to buy debentured bonds which would return a fixed (approx. 7%) pa on investment for a set number of years, after which investors have the option to recover the initial investment or have the opportunity to participate in a further investment opportunity.
- 3.4 Other models are available, such as that adopted by Wiltshire Wildlife Trust. It currently operates a solar farm issuing a standard share offer to investors which has enjoyed a high degree of demand for share purchases and generated revenue of approx. £1,000 per day, a proportion of which will be re-invested in future schemes.
- 3.5 Swindon Borough Council (SBC) does not have the necessary experience and expertise to set up and run its own resident investment schemes for local communities. However the examples above illustrate the types of schemes that would be possible. It is proposed that SBC work with partners who would promote a Swindon wide renewable investment scheme from a marketing perspective to collate details of those interested in investing in future opportunities, taking Common Farm Wroughton and the M4 solar barrier as

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exemplars. The financial implications of individual schemes will need to be carefully considered as each one develops.

- 3.6 Partners could then develop a prospectus for a renewable scheme to distribute to the potential client base which has created by the marketing exercise. SBC would provide resource in terms of identifying existing routes of communication to residents (such as Council Tax communications) and utilising these to market the renewable energy investment schemes. SBC would work with partners to identify preferred schemes to develop and publicise as part of the “Invest in Renewables” offer.

4. Alternative Options

- 4.1 SBC does not have capacity or resources to implement schemes without effective partnerships and would not wish to proceed with ad hoc interventions which would allow for minimal local benefits; the joined-up communications approach ensures a proactive and coordinated local offer.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 It is proposed that the schemes themselves be delivered by partner organisations such as Swindon Commercial Services (SCS) Ltd (who are currently working on development opportunities for solar farms within and outside of the Borough).
- 5.2 The communications approach in this report proposes to utilise existing methods of communication to residents to publicise the scheme. Any further required budget is yet to be identified and will be done in a future report to Cabinet.

Legal and Human Rights Implications

- 5.3 Legal and Human rights implications have been fully taken into account in the preparation of this report. It is considered that the proposals within this report are compatible with convention rights.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.4 Sustainability is key to this report and such implications are set out in the body of the report and in its recommendations. No other specific implications have been identified at this time.

Diversity Impact Assessment (DIA)

- 5.5 As and when a communications plan is developed for this approach it is anticipated that the need for a DIA on its reach and recommendations will be assessed.

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Risk Management

- 5.6 A risk assessment will be established in respect of each project area as it is developed.

6. Consultees

- 6.1 The Board Director of Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

None

9. Key Decision/Decision in Cabinet Work Programme/Forward Plan

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme/Forward Plan for September 2014.