

LIGHTSOURCE RENEWABLE ENERGY

AGENDA ITEM No. 15

MEETING: COUNCIL

DATE: 15 JULY 2015

REPORT BY: TOWN CLERK

1.0 Purpose of the Report

1.1 The purpose of the report is to seek members approval to enter into an agreement by way of a deed between Lightsource and the Town Council to receive and distribute an annual community benefit payment.

2.0 Background

2.1 The proposal to install solar panels at a site off School Aycliffe Lane has now been given planning approval and the project will now progress. Members will be aware that half of the site lies within the Parish of Great Aycliffe and as such Lightsource has agreed to implement a Community Benefit Scheme. This will consist of a payment of £500 per megawatt capacity over a period of 20 years.

(See attached information included as Appendix 1, which provides further detail).

2.2 In order to receive the monies, the Town Council will be required to enter into an agreement with Lightsource. This will be entered into by the signing of a Deed of Offer.

2.3 Whilst at the present time it is not possible to identify the final payment to be received and distributed it is anticipated that it will be circa. £1125 per year.

2.4 Members will note from the information provided, that once received the fund can be distributed how the Town Council decides. Members are advised that Lightsource would be in support of “green initiatives” and as such members may wish to utilise the fund via. grants to organisations or individuals on this theme.

3.0 Matters for Consideration

3.1 The Council is required to consider and approve entering into the agreement as provided by Lightsource (See Appendix 2) in order to receive and distribute the Community Benefit Funds.

3.2 Members should also give consideration to the mechanism which will be used to distribute the funds received. As the amount is small, it would not seem appropriate to set up a specific mechanism to distribute the fund. It is suggested that members could add the money, ring fenced, to the grants and donations budget for distribution via. the Council’s Policy and Resources Committee, who would give consideration to appropriate applications. This would provide an audit trail for the distribution of the funds and would identify the appropriate recipients.

4.0 **Policy Implications**

- 4.1 The approval to enter into an agreement for distribution of Community Benefit Funds and specifically to 'green initiatives' would assist in meeting Aim Nos. 5 and 6 of the Council's Aims and Targets:-

Aim No. 5 -'To contribute to the environmental improvement of Aycliffe by managing and developing parks, play areas and green spaces'.

Aim No. 6 – 'To help and encourage partnership working to improve the services and facilities for the residents of Great Aycliffe'.

5.0 **Staffing Implications**

- 5.1 None.

6.0 **Financial Implications**

- 6.1 These are additional funds which will be received under the agreement between Lightsource and the Town Council over a twenty year period. (See Appendix 3 for information on requirements, in particular regarding approval and D.C.C. Members.

7.0 **Crime and Disorder Implications**

- 7.1 Members are advised that it will be a requirement to sign the Bribery Act 2010 Compliance Form.

8.0 **Equal Opportunities Implications**

- 8.1 None.

9.0 **Environmental Implications**

- 9.1 Should the Council agree to distribute the fund for 'green' initiatives this would assist in improving the environment of Great Aycliffe. In addition Lightsource offer expertise and guidance on sustainable projects if required.

10.0 **Risk Assessment**

- 10.1 It is not considered that the matters contained in this report pose a risk to health and safety of staff or to the financial or public standing of the Council to a degree that a risk assessment should be appended to this report.

11.0 **Recommendations**

- 11.1 It is recommended that:-

- (i) Members receive the report.
- (ii) Members authorise the signing of the Deed of Offer.
- (iii) Members authorise the signing of the Bribery Act 2010 Compliance Form.
- (iv) Members consider the distribution of the fund via. the Council's Policy and Resources Committee and ring fencing the fund to be used for 'green' (environmental) initiatives.

APPENDIX 1

Received by hand at Neighbourhood
planning group meeting. AD

2 JUL 2015



LIGHTSOURCE
SWITCHING ON SUNLIGHT

C/O Andrew Bailey, Clerk to the Town Council,
Council Offices,
School Aycliffe Lane,
Newton Aycliffe,
DL5 6QF,
County Durham

1st July, 2015

Dear Cllr Mrs Dalton,

Thank you for accepting the community benefit offer associated with our School Aycliffe Solar Farm, as set out in our initial offer letter.

Accompanying this letter are two copies of each of the following documents:

- Deed of Offer
- Bribery Act 2010 Compliance Form

Please sign all copies of these documents. Note: please do not date the front page of the Deed of Offer. This will be dated by Lightsource's Legal Team upon signing by the company Directors.

Please return all signed copies to me at the address below. We will then arrange Counter Signing by the company Directors, date the Deed of Offer, and provide a set of the signed documents for your records.

The community benefit offer is for:

- A payment of £500 per Megawatt capacity installed within the Town Council's administrative area as part of the Development per year for 20 years (this will be approximately £1125 per year, subject to the final design, which would equate to a total of £22,500 over 20 years)

Following successful construction and connection of the solar farm, we will send a letter confirming the final installed capacity, in Megawatts (MW), of the solar farm, and the final value of the annual payment.

The first payment will be made following successful completion of the solar farm, with the remaining payments made annually after that.

Should you have any questions, please do not hesitate to contact me on the details below

Yours sincerely,

Andrew Garraway

Planner

T: 0203 725 2643

E: andrew.garraway@lightsource-re.co.uk



Community Benefit

Lightsource Renewable Energy, the UK's leading solar energy generator, believes that local communities hosting major renewable energy developments should be recognised for their contribution to meeting our country's need for secure, 'home-grown', cleaner forms of energy. The provision of Community Benefit schemes through voluntary contribution is already a well-established characteristic of large scale onshore wind developments - The Department for Energy and Climate Change (DECC) recently issued guidance for onshore wind developers in England on Community Benefit schemes, and the practice is now increasingly being adopted by responsible solar energy generators too.

As such, Lightsource is committed to providing a long term commitment to benefit the host communities in which our solar farms are developed. This relationship provides the local community with an opportunity to access a long term, reliable income stream which they can use to directly enhance their local environment and support the community's economy and activities as they see fit.

FREQUENTLY ASKED QUESTIONS

Who receives the benefit?

Payments are sent directly to the Parish Council, or to a community trust set up specifically to receive and distribute the community benefit payments.

Is there a requirement for the Parish Council to support the solar farm project?

No - the Community Benefit offer is unconditional and there is no requirement or obligation for the Parish Council to support our application for planning permission, or to withhold any concerns or objections.

When will payments be made?

The first payment will be made once the solar farm is installed and exporting energy. Subsequent payments will then be paid annually.

How is the fund calculated?

The amount we offer is calculated according to the installed capacity of the solar farm, as this has a direct bearing on the amount of energy it will produce and therefore the amount of revenue it will provide over its lifespan.

Why does the Parish need to sign the Bribery Act 2010 Compliance Form?

All commercial organisations in the UK must comply with the Bribery Act 2010, under which it is an offense to bribe public officials. The Form, in addition to the Deed of Benefit, confirms that the community benefit has been offered to the local community, through the Parish Council, and not to the decision makers responsible for determining the planning permission application.

Who decides how the money is spent?

The Parish Council decides how to utilise the fund. Lightsource is inherently supportive of 'green' initiatives and would be happy to offer expertise and guidance on sustainable projects.

What can the money be used for?

The fund can be used towards any project that will benefit the community. The Parish may wish to support or initiate long term projects, or they may prefer to draw new ideas from the community each year in order to support a variety of projects over the life of the fund.

For how long will the payments continue?

Payments will be made annually for 20 years and will be index linked.



Contact us...

Lightsource Renewable Energy Limited
7th Floor, 33 Holborn, London, EC1N 2HT

0333 200 0755

info@lightsource-re.co.uk

www.lightsource-re.co.uk



Community Involvement

Unlike many more complex energy generation methods, the technology on a solar farm is passive and surrounded by grasslands, hedgerows and habitats. As such, operational solar farms can provide an excellent educational resource for communities wanting to learn more about the solar power on their doorstep. Lightsource is keen to involve communities and facilitate educational activities as much as possible. Here are a few events we have hosted recently...

SOLAR INDEPENDENCE DAY

On 4th July 2014, Lightsource Renewable Energy opened 10 solar farms across the country to the public:

- * Our sites were visited by school groups, community members, councillors, MPs, ecologists & farmers...

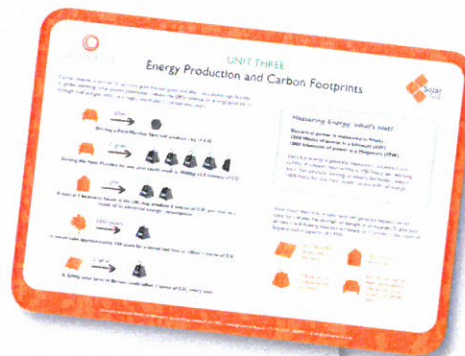


Watch the Solar Independence Day video on our YouTube channel **Lightsource Solar**.

EDUCATIONAL OPPORTUNITIES

Lightsource operates over 100 school rooftop installations across the United Kingdom:

- * The Lightsource 'schools pack' can be used in the classroom to help students understand the importance of renewable energy and to explain and contextualise the solar installation on the building's roof. The pack is available to download on our [website](#).
- * We have also assisted several higher education students and ecologists with biodiversity research projects by providing access to our sites.



LOCAL INTEREST GROUPS

- * If local wildlife groups or botanical interest groups are keen to get involved with the monitoring of biodiversity on our sites, this is certainly something we can arrange - please get in touch if you would like to find out more.
- * The Devon Hedge Group recently visited our solar farm at Barton Farm in Devon, following initial conversations about the potential for solar farms to harbour biodiversity. The visit gave them a helpful insight into solar farm habitats and we now consult with them regularly on our planting plans for new sites in the South West.



Some organisations we consult with regularly:



APPENDIX 2

THIS DEED is made the _____ day of _____ 2015

Between:-

(1) **Great Aycliffe Town Council**, of Council Offices, School Aycliffe Lane, Newton Aycliffe, DL5 6QF (the **Town Council**)

and

(2) **Lightsource SPV 170 Limited**, company number 08934814 whose registered office is situate at 7th Floor, 33 Holborn, London EC1N 2HT (the **Operator**).

RECITALS

WHEREAS

- (A) The Operator is to own and operate a solar farm and associated equipment at Land to the South of School Aycliffe Lane, School Aycliffe, Newton Aycliffe DL5 6QE (the **Development**).
- (B) The Development lies within the geographical boundaries of the Town Council's area.
- (C) The Operator is to make an annual community payment of **£500** per MW of installed capacity for a period of 20 years (the **Payment**) to the Town Council to be applied for the benefit of the residents in the Town Council's area, as set out in this Deed.

IT IS AGREED as follows:-

1 Definitions

- 1.1 RPI means the United Kingdom Retail Prices Index (all items) as published by the Office for National Statistics or any successor thereto.

2 Interpretation

For the purposes of this Deed:

- 2.1 where any two or more persons are included in the expressions the Town Council or the Operator then the covenants and obligations entered into by such persons shall be deemed to be entered into by them jointly and severally;
- 2.2 words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall be deemed to include (as appropriate) the feminine and neuter genders and vice versa;
- 2.3 references to any Clause Sub-clause or Schedule or Annexure is to a Clause Sub-Clause Schedule or Annexure of or to this Deed;
- 2.4 the headings in this Deed are inserted for convenience only and shall not affect its construction;
- 2.5 reference to laws statutes by-laws regulations orders and delegated legislation shall include any law statute by-law regulation order or delegated legislation re-enacting consolidating or made pursuant to the same; and

2.6 the words "include", "includes" and "including" shall be construed as if they were followed by the words "without limitation".

3 Agreed Terms

- 3.1 The Town Council agrees to apply the Payment towards projects that will benefit the communities of the Town Council and which have been approved by a meeting of the Town Councillors prior to the allocation of any Payment (the **Approved Projects**).
- 3.2 The Operator shall pay to the Town Council £500 per MW of installed capacity for a period of 20 years.
- 3.3 The Operator shall inform the Town Council of the total installed capacity and the date that the Development has started generating electricity in writing as soon as possible after construction of the Development has been completed.
- 3.4 The Operator shall pay to the Town Council:
- (a) the first annual Payment within one month of the date that electricity is first generated by the Development; and
 - (b) thereafter, the Payment will be made on an annual basis for the remaining 19 years and the Payment will be Retail Price Index linked.
- 3.5 The Town Council will be responsible for investing the Payment in the Approved Projects and shall maintain records of expenditure in respect of the Payment and shall make such records available for inspection by the Operator, if requested.

4 VAT

For the avoidance of doubt, no VAT is payable on any payments made by the Operator under this Deed.

5 Governing Law and Jurisdiction

This Deed will be governed by and construed in accordance with the laws of England and Wales and each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this Deed.

6 Termination

- 6.1 This Deed, together with all rights and liabilities mentioned herein, shall terminate on either:
- (a) the first anniversary of the date of this Deed, if the Development is not connected and exporting electricity by that date; or
 - (b) the date on which the final instalment under clause 3.4 has been paid to the Town Council by the Operator.

7 Entire Agreement

This Deed constitutes the entire agreement and understanding of the parties and supersedes any previous agreement between them relating to the subject matter of this Deed. This Deed may only be varied or modified in writing.

This document has been executed as a Deed and is delivered and takes effect on the date stated at the beginning of it

EXECUTED as a DEED
by Lightsource SPV 170 Limited
acting by a Director

Director's signature.....

in the presence of:

Witness Name.....

Witness Address.....

Witness Occupation.....

EXECUTED as a DEED
by Great Aycliffe Town Council,
acting by a **Mrs Mary Dalton**, Mayor of Great Aycliffe

Signature of authorised person.....

in the presence of:

Witness Name.....

Witness Address.....

Witness Occupation.....

APPENDIX 3

The Bribery Act 2010 Compliance Form

Lightsource SPV 170 Limited (the **Operator**), has submitted a planning application for the development of a 5MW solar farm at Land to the South of School Aycliffe Lane, School Aycliffe, Newton Aycliffe DL5 6QE (the **Development**).

If the Development is successfully constructed, the Operator would like to offer a community benefit payment to Great Aycliffe Town Council (the **Town Council**) to be applied for the benefit of the residents of the Town Council's area.

Offer Details:

- The Operator shall make an annual payment of £500 per MW of installed capacity for a period of 20 years (the **Payment**) to the Town Council to be applied for the benefit of the residents in the Town Council's area;
- the Community Benefit Payment shall be paid within one month following the date that electricity is first generated by the Development; and
- thereafter, the Payment will be made on an annual basis for the remaining 19 years and the Payment will be Retail Price Index (RPI) linked.

Definitions:

RPI means the United Kingdom Retail Prices Index (all items) as published by the Office for National Statistics or any successor thereto.

There is no expectation of support during the planning process or that the Town Council will withhold any objection to the Operator's planning application.

The offer is only conditional on the following items:

- the Town Council entering into a deed in a form acceptable to the Operator recording the terms of the Payment; and
- no member of the Town Council (unless declared on this Form) being a decision maker in the planning process for the planning application, meaning Durham County Council Councillors sitting on the Planning Committee that will decide the planning application, or a Case Officer or Planner with Durham County Council responsible for determining the planning application.

To ensure compliance with the 2010 Bribery Act it is essential that we confirm that this offer will have no influence on the decision making process with respect to the planning application for the Development, therefore before accepting this offer, please read the below carefully and ensure the statements below are a matter of fact.

I, confirm that:

- No member of Great Aycliffe Town Council is a Councillor for Durham County Council with a vote in deciding the planning application for the Development **except** Cllr. John Clare who is both a Councillor for Great Aycliffe Town Council and Durham County Council.
- No member of Great Aycliffe Town Council is a Planning Case Officer at Durham County Council responsible for determining the planning application for the Development.
- No member of Great Aycliffe Town Council shall personally benefit from the Community Benefit Payment through decisions made on the deployment of the funds.

Signed on behalf of
Great Aycliffe Town Council
on _____ by:

Signatory signature

Signatory name

Signatory position

In the presence of:

Witness signature

Witness name

Witness occupation