

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**CORPORATE LEADERSHIP TEAM'S  
REPORT TO CABINET**

**16<sup>th</sup> July 2024**

**Report Title:** Keele Sustainable Solar Energy Business Case

**Submitted by:** Deputy Chief Executive

**Portfolios:** Finance, Town Centres and Growth, Sustainable Environment

**Ward(s) affected:** Keele

<b><u>Purpose of the Report</u></b>	<b><u>Key Decision</u></b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
To outline the business case for the proposal for a sustainable solar energy scheme at Keele.			
<b><u>Recommendation</u></b>			
That Cabinet:			
<ol style="list-style-type: none"> <li>1. Approves the business case and the scheme is progressed to planning application.</li> <li>2. Authorises the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to negotiate end user agreements.</li> <li>3. Authorises the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centre and growth, to procure the necessary contracts to deliver the scheme in line with and planning conditions.</li> </ol>			
<b><u>Reasons</u></b>			
Cabinet previously approved a high level feasibility study and requested this further report to Cabinet to review the business plan and progress with the scheme prior to awarding any contracts and licences for the construction or supply of the energy produced.			

**1. Background**

- 1.1** The Climate Change Act 2008 places the government under a legal duty to reduce greenhouse gas emissions by 80% below 1990 levels by 2050 and the Council has been working to reduce our emissions since. In 2019 the Council passed a climate emergency motion with the aim of becoming carbon neutral with respect to the Council's own estates and activities and those related to our residents and businesses. Following this, the Council adopted a Sustainable Environment Strategy in 2020. This Strategy is the vehicle for helping the Council achieve its aims of caring for and enhancing our natural environment and to adapt and mitigate the effects of climate change. It states the Council will reduce our reliance on fossil fuels by investigating green energy investment. In June 2024 Cabinet approved the refreshed Sustainable Environment Strategy and associated delivery plan. Delivery of green energy is a key element of supporting the Borough to meet its 2050 emissions target.

- 1.2** Cabinet have previously received a report on the option to develop a Sustainable solar array at Keele cemetery. Following an initial high-level feasibility study the Council has procured planning consultants to design a suitable solar array scheme and to submit a planning application for the facility and associated connection infrastructure. As agreed previously further details on the potential scheme would be reported to Cabinet before the planning application is submitted.
- 1.3** Since the October cabinet report informal discussions have taken place with potential end users who may wish to purchase the electricity. As the solar panel scheme will be developed on a commercial basis with the sale of the electricity to the end user being on a commercial basis therefore the financial aspects are confidential and outlined in this report.

## **2. Issues**

### **2.1 Site design**

- 2.2.1 Keele cemetery is currently operating on a small proportion of the overall site with a significant part left for agricultural grazing until burial space is required. Wardell Armstrong have taken into account the anticipated burial rates and site conditions to design a suitable scheme.
- 2.2.2 Dependent on burial rates and the choice of customers over burial sites it is anticipated that there will be some requirement for burial and memorial in 25 years. The site plans have taken this into account and identifies an area for woodland memorial which is anticipated to grow in popularity as more customers become concerned with sustainability. The site can in the longer term be used for burials as the existing site is fully utilised.
- 2.2.3 The high-level assessment for the site topography of the 14ha field would allow 8.9ha being able to be used for solar. Subject to the amount of electricity required a smaller proportion of the field could be developed out with panels.

### **2.3 Panel choice**

There are a variety of solar panels that can be used but primarily they are either single or double sided, fixed or tilting. The final choice will be subject to planning permission and the procurement process in due course. The business case does however highlight that single sided fixed panels are appropriate as the main type used in the UK based on pay back timescales.

### **2.4 End User**

Wardell Armstrong have produced a Private Wire Options and Returns report which outlines the key business case for the solar panel scheme, this includes confidential business information and is therefore outlined in the Confidential Cabinet report and appendices. This confidential report also outlines potential agreements with end users who will purchase the electricity from the Council.

## **3. Recommendation**

### **3.1 That Cabinet:**

1. Approves the business case and the scheme is progressed to planning application.

2. Authorises the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, to negotiate end user agreements.
3. Authorises the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centre and growth, to procure the necessary contracts to deliver the scheme in line with and planning conditions.

#### **4. Reasons**

- 4.1 Delivery of a solar panel energy generation scheme is in line with the Council's Sustainable Environment Strategy.
- 4.2 In order to deliver the scheme the Council will require resources to project manage the procurement and construction of the project alongside end user agreements. It is proposed to utilise external specialist support. As part of the UK Shared Prosperity Fund there is a project to deliver a green sustainability project in conjunction with Keele University, subject to Cabinet approval to progress with the scheme it is proposed that Keele provide support in the interim then officers review if further support is required to support the implementation phase.

#### **5. Options Considered**

- 5.1 The Council has a choice whether to seek opportunities to develop green energy schemes.

#### **6. Legal and Statutory Implications**

- 6.1 The Council is able to deliver schemes such as this solar scheme. HM treasury issued a document 'PWLB Guidance for Applicants' on 15 June 2023 in order to end the situation whereby a minority of local authorities used PWLB loans to support the acquisition of investment assets bought primarily for financial return.
- 6.2 The document helps to ensure that capital plans are compliant with ongoing access to the PWLB under the lending terms published in June 2023 and gives clear examples of projects that would be supported by the PWLB or would be rejected by the PWLB.
- 6.3 An example of a project that would be supported by the PWLB would be an energy generation project. The Council has made energy efficiency and sustainability a policy priority, the project therefore serves a clear policy purpose for the Council, advancing its environmental and climate change priorities and is not primarily to generate an income.
- 6.4 This would be a clear example of service delivery in that it is expenditure on assets that form part of the authority's public service delivery.
- 6.5 The application for the planning permission will be decided through the normal Planning process and will be subject to the relevant consultations.
- 6.6 The Council will need to complete procurement of panels and associated infrastructure through a framework.
- 6.7 Should the development proceed then the Council will need to complete further negotiations and legal agreements with energy buyers.

## 7. Equality Impact Assessment

7.1 The plans are not intended to have any impact on equality.

## 8. Financial and Resource Implications

8.1 The cost of the planning consultants to develop the plans and submit a planning application is met from the master planning for sites in the capital programme.

8.2 There are a range of options available to the Council in terms of buying or leasing the solar panels, the approach the maintenance, and connection to electricity buyers. A compliant tendering process will need to be undertaken at the appropriate time.

8.3 Subject to the Cabinet supporting the business case and planning permission being granted, Cabinet will need to plan for the expenditure in next years Capital Programme. Prior to any such decisions being made further reports on progress and implementation plans will be reported to Cabinet.

## 9. Major Risks & Mitigation

9.1 There is a risk assessment on GRACE which identifies some key risks to the Council. Without a suitable design the Council is at risk of not securing planning permission thus risks losing the costs of designing and seeking planning permission. Part of the mitigation against this is working with expert consultants that know about the solar arrays and the local context. Without a suitable design the Council also place in jeopardy the future use of the land and expansion of the Keele cemetery or even the successful integration of the two site uses. It is therefore essential that the master planning consultants seek to deliver suitable designs to meet a range of needs.

## 10. UN Sustainable Development Goals (UNSDG)

10.1 The development of a solar array produces clean green energy which is a clearly contributes to the Sustainable Goals:



## 11. Key Decision Information

11.1 This is a key decision based on the financial levels.

## 12. Earlier Cabinet/Committee Resolutions

12.1 17<sup>th</sup> October 2023 Cabinet:

1. Approved the production of a detailed feasibility study and business case for the solar array at Keele, details to be provided through a further report,

2. Authorised the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres & Growth, to submit a planning application for the solar array at Keele;
3. Receives a further report on the progress and next steps required prior to any installation works being undertaken on site or end user agreements are signed.

**13. List of Appendices**

- 13.1 Confidential Report - Wardell Armstrong Private Wire Options and Returns.
- 13.2 Confidential Financial Modelling Spreadsheet.
- 13.3 Proposed scheme design from Wardell Armstrong.

**14. Background Papers**

- 14.1 None.