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| SHAREHOLDER CABINET COMMITTEE | AGENDA ITEM No. 4 |
| 27 JANUARY 2020 | PUBLIC REPORT |

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| Report of: | Peter Carpenter, Acting Corporate Director of Resources | |
| Cabinet Member(s) responsible: | Cabinet Member for Finance | |
| Contact Officer(s): | Peter Carpenter, Acting Corporate Director of Resources | Tel. 01733 384564 |

EMPOWER PETERBOROUGH

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| R E C O M M E N D A T I O N S | |
| FROM: Peter Carpenter, Acting Corporate Director of Resources | Deadline date: N/A |
| It is recommended that the Shareholder Cabinet Committee note the contents of this report. | |

1. ORIGIN OF REPORT

- 1.1 This report is submitted to the Shareholder Cabinet Committee on the Empower Peterborough project by the Cabinet Member for Finance

2. PURPOSE AND REASON FOR REPORT

- 2.1 The report is being presented to the Shareholder Cabinet Committee to provide an overview of the Empower Peterborough project and an update on the progress of the loan re-financing to a long term funder
- 2.2 This report is for the Shareholder Cabinet Committee to consider under its Terms of Reference No. 3.3.2. 'Functions of the Shareholder Cabinet Committee' (a), *"To monitor performance and financial delivery of the companies, partnerships and charities set out above in line with Cabinet approved business plans by means of monthly performance monitoring and scrutiny."*

3. TIMESCALES

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|---|-----------|----------------------------------|------------|
| Is this a Major Policy Item/Statutory Plan? | NO | If yes, date for Cabinet meeting | N/A |
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4. BACKGROUND AND KEY ISSUES

4.1 Background

In December 2014 the Council entered into a strategic partnership agreement with Empower Community Management LLP to deliver solar panels on residential properties. As part of this arrangement and subsequent additions to the original scheme, the Council invested capital funds totalling £23m which resulted in over 7,700 rooftop installations which have been providing free electricity for the householder. The Empower Loan is fully secured over the solar rooftop assets of ECS Peterborough 1 and is returning a commercial rate of return to the Council. This return is contributing towards the Budget position of the Council and helping to support the delivery of services. By continuing to finance the loan the Council is receiving

income which is assisting with the alleviation of its Budget pressures.

The Council has received a net return of over £2.6m in the last four years from this loan and currently receives a net return of over £90k per month

4.2 **Refinance Progress**

On 5 June 2019, following evaluation of seven expressions of interest from potential refinancing institutions a decision was made to grant a period of exclusivity with one counterparty Global Tower Solutions (GTS)

GTS is a financial investor in renewable assets whose aims are to acquire, construct and own/operate large scale clean energy generating assets globally.

Under the ownership of GTS the social and financial benefits to tenants and the social landlords will be enhanced. In part, this will be driven by a more technologically advanced and reactive driven stewardship and a maintenance programme which will improve solar yields and electricity generation. GTS will also be offering the opportunity of a retrofit battery system to both landlords and tenants, again improving savings to the tenants and at no further cost to either party. Over time GTS will also be offering further data driven services which, if chosen to be implemented, will add further value to the landlords and tenants

4.3 **Key Issues**

In September Cabinet approved the extension of the Loan Facility to the end of November 2019 to enable the smooth transition of the loan from the Council to Global Tower Solutions. During the period of the extension the Council will continue to receive an income from the interest which will contribute to the Council's MTFS savings targets.

4.4 **Future Progress**

The progress of the refinancing is monitored by the Council by maintaining regular contact with GTS and its advisors and by consulting with its own advisors Pinsent Mason LLP and Deloitte LLP. If any further extension of the Facility is required this will be subject to a separate CMDN

5. **CONSULTATION**

5.1 Consultation on the proposed refinance has been undertaken with the Council's advisors, Pinsent Masons LLP and Deloitte LLP as part of the due diligence process. Long term finance providers have also been consulted

6. **ANTICIPATED OUTCOMES OR IMPACT**

6.1 The expected outcome of the Empower loan refinance is set out in this report

7. **REASON FOR THE RECOMMENDATION**

7.1 The reason for the recommendation is to ensure the Shareholder Cabinet Sub-Committee understand the Empower project and progress on the Empower loan refinance progress

8. **ALTERNATIVE OPTIONS CONSIDERED**

8.1 An alternative option was not to present this report to the Shareholder Cabinet Sub-Committee. This option was not taken forwards as it was important to update the Committee on the Empower partnership and the loan refinance progress

9. **IMPLICATIONS**

Financial Implications

9.1 This report is to give an overview/progress update as such there are no financial implications

Legal Implications

9.2 This report is to give an overview/progress update as such there are no legal implications.

Equalities Implications

9.3 This report is to give an overview/progress update as such there are no equalities implications.

Carbon Impact Assessment

9.5 This report is to give an overview/progress update as such there are no carbon impact implications

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 Cabinet Report SEP19/CAB/43

11. APPENDICES

11.1 None

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