



CABINET – 19TH APRIL 2023

SUBJECT: CWM IFOR SOLAR FARM

REPORT BY: CORPORATE DIRECTOR OF EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 This report seeks Cabinet approval for additional funding of £180,000 to progress the Cwm Ifor Solar Farm project to full business case.

2. SUMMARY

2.1 On the 5th October 2022 Cabinet gave approval for the Cwm Ifor Solar farm to be taken to full business case using previously approved budgets. Since then, there has been an increase in unforeseen costs which will require additional funding.

2.2 To date a total budget of £483,000 has been approved to take the project to full business case.

2.3 The further costs relate to the requirement for an alternative route to market after the company operating our preferred Dynamic Purchasing System (DPS) withdrew in February 2023. There will potentially also be additional costs as part of the planning process. This has given us the opportunity to undertake a re-evaluation of the route to market and take the opportunity to support other decarbonisation projects through the use of an alternative framework.

2.4 Approval is being sought to increase the budget by up to an additional £180,000 with this funding coming from the previously approved earmarked service revenue reserves within the Decarbonisation Strategy funding allocation.

3. RECOMENDATIONS

3.1 It is recommended that Cabinet:

- a) Approve an increase in the budget of up to £180,000 to take the Cwm Ifor Solar Farm project to full business case.

- b) Approve that the additional £180,000 should be made available from the preciously approved earmarked reserve for the delivery of the Decarbonisation Strategy.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To provide the budget required to take Cwm lfor Solar Farm through to full business case.
- 4.2 To contribute towards the Council's commitment to be net zero carbon by 2030 and to deliver the aims set out in the Decarbonisation Strategy and Action Plan.

5. THE REPORT

- 5.1 The Cwm lfor Solar Farm project will be the largest publicly owned solar farm in Wales and will make a significant contribution towards the Councils aim of being net carbon zero by 2030.
- 5.2 To date a total budget of £483,000 has been approved to take the solar farm project to full business case. This comprises of £49,000 approved by Cabinet on the 11th November 2020 for the novation and initial investigations. A further £434,000 was recommended for approval by the Regeneration Board on 30th March 2021 and formally approved by Cabinet on 23rd June 2021
- 5.3 On 5th October 2022 Cabinet gave approval for the procurement process to be undertaken as part of preparing the final business case in order to get accurate projected costs of the construction of the solar farm. To allow future decisions to be taken by the Council.
- 5.4 Since the 5th October there has also been the requirement to amend the proposed route to market for the project. The use of a Dynamic Purchasing System (DPS) through our Technical Consultants was originally agreed at a cost of £15,000. However, the company concerned, PPS, have withdrawn from the agreement as a result of them being bought out by another company.
- 5.5 As a result of the withdrawal of PPS a re-evaluation of the route to market has been undertaken. An alternative framework has been identified which offers significant additional support as well as other additional benefits. The new framework provides template documentation, specifications and technical support throughout the procurement process including tender evaluation. Due to the technical and specialist nature of the Energy Performance Contract that will form the basis of the tender, this additional support will be of significant benefit. Additionally the use of the new framework will provide access to suppliers with expertise to support other decarbonisation projects including major works to our schools and corporate buildings.
- 5.6 The cost of the alternative framework will be £101,000, however this will include the technical support and access to the framework for other decarbonisation projects. Additionally, we estimate that legal costs for stage 1 of the process will be £10,000 plus £10,000 for stage 2 of the work to support the process, giving a total additional cost of £121,000 for this element of the project.

- 5.7 There is also the potential for additional costs relating to the planning process, should a planning inquiry, hearing or written representations be required. We estimate a budget of £59,000 may be required for this additional work and any additional unforeseen costs associated with the planning process.
- 5.8 With the additional procurement costs of £101,000, legal and technical support costs of £20,000 and potential additional project costs of £59,000 we estimate that a further budget of £180,000 may be required to take the project to full business case.
- 5.9 Cabinet has previously set aside a budget of £500,000 for work related to the Decarbonisation Strategy and an earmarked revenue reserve of £500,000 has been set up accordingly.
- 5.10 The additional funding will ensure that the solar farm proposal will reach a stage where we will have a commercially viable product to sell on the open market should this be the preferred option as per the report to Outline Business Case report to Cabinet on 5th March 2022.

6. ASSUMPTIONS

- 6.1 This report is based on the assumption that an additional £59,000 for additional project costs will be sufficient to enable the planning process for the project to be completed.
- 6.2 This report further assumes that the additional £121,000 for procurement and legal costs will cover all the additional work required to take the project to full business case.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This proposal and the associated community benefits have the opportunity to make significant positive impacts across a number of key areas as identified within the IAA; decarbonisation, employment opportunities, community education, collaboration with partners and a long term view of energy production in the county borough. The challenge will be as officers develop the full business case to ensure that those benefits are achievable and aligned to the priorities of both the WG, legislation, corporate priorities and the needs and wants of the community. (As per appendix 4 of the Outline Business Case report to Cabinet on 5th October 2022)

8. FINANCIAL IMPLICATIONS

- 8.1 Cabinet has previously agreed to allocate a total of £483,000 development funding to the Cwm Ifor Solar Farm project, to take the proposal forward as outlined in the summary above.
- 8.2 As a result of additional requirements and necessary changes to the procurement of the project, a revaluation of the projected cost of taking the project to full business case has taken place and it is anticipated that the expected costs of completing this stage of the project are likely to increase by an additional of £180,000.
- 8.3 Cabinet has previously set aside a budget of £500,000 for work related to the Decarbonisation Strategy as an earmarked service revenue reserve. It is

recommended that the additional £180,000 is covered from this Decarbonisation Strategy funding allocation which will leave a balance of £320,000 in the Decarbonisation strategy reserve

9. PERSONNEL IMPLICATIONS

9.1 No personnel implications have been identified at this stage of the project.

10. CONSULTATIONS

10.1 The public consultation for the solar farm has already taken place with ward members and the community in order to gain the views in relation to reducing the potential impact for residents and starting to be identifying appropriate community benefits. No additional consultation has taken place or is required other than with internal stakeholders in relation to this report.

11. STATUTORY POWER

11.1 Local Governments Act 1998 and 2003

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Cllr James Pritchard – Deputy Leader and Cabinet Member for Prosperity, Regeneration & Climate Change
Cllr Tudor Davies, Chair of Environment and Sustainability Scrutiny committee
Cllr Adrian Hussey, Vice Chair of Environment and Sustainability Scrutiny committee
Christina Harray – Chief Executive
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Background Papers:

Appendices:

