

Agenda Item 8.

TITLE	Barkham Solar Farm - Procurement Business Case
FOR CONSIDERATION BY	Special Council Executive on Thursday, 30 June 2022
WARD	Barkham;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Climate Emergency and Resident Services – Sarah Kerr

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

The purpose of this report is to invite the Executive to approve the Procurement Business Case for the build contractor for the Barkham Solar Farm and recommend it to Full Council for approval.

The Procurement Business Case needs to be approved by Full Council as the values of the work (build contract) are estimated to exceed the values of work as detailed in Section 13 of the Constitution requiring Executive and Council approval (works contract over £15M in value).

RECOMMENDATION

That the Special Council Executive:

- 1) Approves the procurement strategy, recommended by the Executive and set out in the Procurement Business case, for the contractor required for the construction of the Barkham solar farm;
- 2) delegates authority to the Director of Resources and Assets, in consultation with the Executive Member for Finance and the Executive Member for Climate Emergency and Resident Services, to implement the procurement strategy.

EXECUTIVE SUMMARY

The Council is proposing installing a (up to) 36 Mega Watt Peak Solar Farm on Council owned farmland in Barkham. The business case for this project was approved by Executive on 29 July 2021 and subsequently by Full Council on 23 September 2021.

The solar farm will deliver a carbon reduction equivalent to 73% of the Council's central energy contract. The current Medium Term Financial Plan identifies an equalised net surplus, after capital financing costs, of circa £1M per annum.

Full planning consent for the project was granted in September 2021 (application ref 211081).

Executive is asked to agree to the proposed procurement strategy required to secure the contractor for the new solar farm and recommend to Full Council that the

procurement strategy be adopted. This procurement strategy is line with the Council's procurement regulations. It is recommended that a Framework Design & Build Contractor is appointed. A detailed Procurement Business Case is included as Appendix 1 to this paper and commercially sensitive information in Part 2.

BACKGROUND

The Development

The Council is proposing installing a (up to) 36 Mega Watt Peak Solar Farm on Council owned farmland in Barkham. The business case for this project was approved by Executive on 29 July 2021.

The strategic outcomes of the project will deliver:

- A solar farm sufficient to deliver a carbon reduction equivalent to 73% of the Council's central energy contract
- The current Medium Term Financial Plan identifies an equalised net surplus, after capital funding costs, of circa £1M per annum. The procurement process for the main contractor will identify the most up to date costs and values and inform an update to the business case, which may identify a change in the forecasted income

Full planning consent for the project was granted in September 2021 (application ref 211081).

Delivery programme

The site for the solar farm will be vacated from autumn 2022. Construction of the solar farm is anticipated to start this financial year (2022/23) so it is programme critical that the procurement process of the main contractor starts as soon as possible.

Funding

There is £20M approved within the Council's Medium Term Financial Plan for the construction and installation of a new solar farm at Barkham.

This report satisfies a requirement from Section 13 of the Council's Constitution for Executive and Council approval to the procurement approach for a works contract above £15M in value.

BUSINESS CASE

Wokingham statutory procurement obligations

The Council has a duty under the Public Sector Procurement Regulations 2015 for the ways in which it procures, goods, service and works projects. Section 13 of the Council's Constitution establishes that under prescribed circumstances the approval of the Council's Executive and/or Council is required before a Procurement Regulations compliant procurement approach is adopted.

The Public Sector Procurement Regulations 2015 create general requirements for all procurement activity. The higher the value of the contract, the more stringent the requirements that must be met. The regulations are intended to promote transparent, non-discriminatory, fair competitive arrangements. Wokingham's procurement rules and Constitutional arrangements (see Section 13, procurement and contract rules and procedures) are intended to ensure that the statutory requirements are fulfilled. The

critical issue is the value of the commissions for services and works and the total expected spend. In this case the total works value is expected to be above £15M. Therefore, in accordance with Section 13.3.1.1 of the Council’s Constitution, Executive and Council approval to the procurement approach is required.

Procurement options

Within these general requirements there are a number of options. In essence these can be summarised as the use of various kinds of framework arrangements (some of which have established pricing mechanisms) and individual tenders.

The use of framework agreements can be helpful where speed of delivery is of particular importance. The use of individual tenders (though what is now known as the Find a Tender Service) allows the use of contractors who are not on Framework agreements (who may have specialist skills) and should lead to the lowest achievable cost. The penalty is the time and cost of running a competitive tender process.

Services required

The service required, which is subject to this decision, is a design and build contractor who will construct and install the solar farm and associated environmental works.

Services are also required to (1) provide specialist technical support for the delivery of the Barkham Solar Farm project; and (2) to deliver the woodland planting to the south of the site. These elements will be subject to separate Procurement Business Cases which, given the values, will not require Executive or Council approvals,

Proposed procurement option

It is recommended that a suitable framework is utilised to procure the Works Contractor as detailed in the attached Procurement Business Case.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£500,000	Yes	Capital
Next Financial Year (Year 2)	£16,500,000	Yes	Capital
Following Financial Year (Year 3)	£1,249,000	Yes	Capital

Other Financial Information

The financial business case for the solar farm was considered and approved by Executive in July 2021 and by Full Council in September 2021.

Stakeholder Considerations and Consultation
<p>Consultation on the development proposals and planning application have been undertaken.</p> <p>Contract details and opportunities to tender will be advertised in line with the Council's procurement regulations.</p>

Public Sector Equality Duty
<p>An Equality Impact Assessment has been undertaken. The Initial Impact assessment did not identify any potentially negative impact upon persons with protected characteristics</p>

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
<p>The installation and operation of a solar farm is a key element of the Council's approach to tackling the declared Climate Emergency. The Council's corporate estate would become "net zero" immediately following completion.</p>

Reasons for considering the report in Part 2
<p>By Virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972:</p> <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information).</p>

List of Background Papers
None

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