

Record of Decisions

Brokenbury Solar Farm

Decision Taker

Cabinet on 15 April 2025

Decision

1. That Cabinet recommends to Council:

That the following decision of Council made on 18 July 2024 be rescinded:

‘that up to £2,750,000 of prudential borrowing be approved subject to securing a unit rate per MWh that exceeds the loan repayments, covers projected maintenance and other operational and equipment replacement costs and provides an appropriate surplus per annum over the life of the scheme commensurate with level of risk.’

2. That the following decision of Cabinet made on 11 June 2024 be rescinded:

‘that the Chief Executive in consultation with the Leader of the Council, Finance Director and Cabinet Member for Finance should review and agree the final business plan after the EPC tender and Power Purchase Agreement (PPA) stage are complete and subject to that agreement is then authorised to agree and finalise the detailed terms and enter into contract with South West Water (SWW) or another purchaser of the electricity.’; and

3. That subject to 2. above authority be delegated to the Director of Finance, in consultation with the Cabinet Member for Place Development and Economic Growth, to agree and finalise the detailed lease terms, in line with an independent market valuation, and enter into a long lease for the land edged red as set out in Appendix 1 to the submitted report.

Reason for the Decision

The delivery of a solar farm would reduce carbon emissions within Torbay in line with the Councils Energy and Climate Change Strategy. The solar farm would provide renewable energy to a SWW water treatment plant at Galmpton. The water treatment plant serves Torbay residents.

Furthermore, by leasing its land the Council would benefit from a capital receipt at the outset, equivalent to the costs incurred to date in obtaining planning consent. In addition, an annual market rent would be paid to the Council by the Pennon Group in accordance with the lease terms over a maximum 40 year period.

Implementation

The decision in respect of 1. will be considered at the Adjourned Annual Council meeting on 15 May 2025. The decision in respect of 2. and 3. will come into force and may be implemented on 29 April 2025 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

On 11 June 2024 Cabinet approved funding for a solar farm at Brokenbury. Planning consent had been obtained for a 2MWp solar farm. The consent had been granted for a 3-year time period whereby work must have been started (but not completed). In more recent discussions SWW, through its parent company Pennon Group had introduced an alternative approach to delivery. Rather than the Council deliver the solar farm and then provide renewable energy at an agreed rate, it was now proposed that the land at Brokenbury was leased to Pennon/SWW which would allow them to build out the solar farm. Pennon would be responsible for constructing the solar farm. There would be no build costs for the Council and no need for a PPA. This reduced the need for the Council to borrow money and finance the construction and removed any risks with delivering the solar farm and providing power to the end user.

The revised proposed delivery model still delivered the objectives of the original proposal but transferred the construction and management of the solar farm to the end user. This allowed the end user to ensure that it met their own requirements and specification.

At the meeting Councillor Chris Lewis proposed and Councillor Billings seconded a motion that was agreed unanimously by the Cabinet, as set out above.

Alternative Options considered and rejected at the time of the decision

The PPA option involved delivering the solar farm directly and providing guaranteed power to the end user. This option posed a greater obligation on the Council when compared to the lease option.

As an alternative to the PPA option, the land could be leased to Pennon. Pennon would then be responsible for funding and carrying out the construction work. Torbay Council would receive an annual market rent for the period of the lease.

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

17 April 2025

Signed: _____
Leader of Torbay Council on behalf of the Cabinet

Date: 17 April 2025