

**Report to:** Cabinet

**Date of Meeting:** 7<sup>th</sup> January 2019

**Report Title:** Ground mounted solar arrays

**Report By:** Simon Hubbard, Director of Operational Services

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### **Purpose of Report**

1. This report is presented to cabinet in order that they can consider the high level business case to establish ground mounted solar arrays. They are invited to consider whether to proceed to the next stage of the project. This is the production of a detailed business case.

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### **Recommendation(s)**

2. That delegated authority is granted to the Director of Operational Services, in consultation with the Leader, to develop a detailed business case for ground mounted solar arrays. The detailed business case is to be presented to Cabinet in June 2019.
3. That delegated authority is granted to the Director of Operational Services, in consultation with the Leader, to spend up to £80,400 to pay for professional studies and pre-planning consultations. The money will be sourced through bids to the Invest to Save fund and from reserves.

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### **Reasons for Recommendations**

4. The proposed ground mounted solar arrays have the potential to make a significant contribution to the objectives of the Income Generation and draft Energy Strategies.
5. A detailed business case will provide the information Cabinet will require when considering whether to further commit the Council to the proposed project; including a significant allocation in the Capital Programme.
6. A detailed business case will require a pre-planning application to be conducted with two planning authorities. In order to get value from that process professional comment from the sources detailed at para. 13 will be required.

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## Background

7. The Council's adopted Income Generation Strategy has prioritised four themes for investment; one of those themes is in energy generating technology. Within that investment theme the establishment of ground mounted solar arrays has been identified as a project worthy of proper consideration for investment.
8. The high level business case suggests that HBC should establish three separate 1 MW ground mounted solar arrays. One of these will be located on the Council's property at Upper Wilting Farm, Crowhurst. The other two will be located on land close to The Milking Parlour, Fairlight.
9. The financial summary identified by the business case (subject to detailed analysis):

Predicted capital requirement	£ 2,100,000*
Predicted minimum gross revenue	£ 165,000**
To	£ 430,000***
Predicted costs of borrowing	£ 120,000****
Predicted operation and maintenance	£ 20,000
Predicted existing income lost	£ 3,211

\* Inclusive and according to the Solar Trade Association.

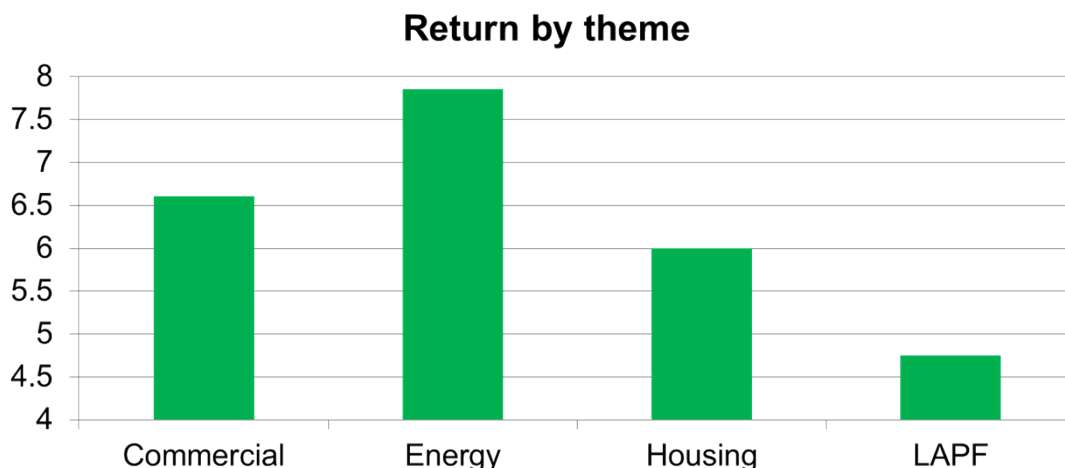
\*\* Based on generation achieved at Tangmere Solar Farm sold on low revenue/risk basis.

\*\*\* Assumes sale of energy at average retail rates (14.37p p/kWh)

\*\*\*\* Based on a planning interest rate of 3% (current rates are 2.46%)

10. The capital assumption is based on the latest figures released by the Solar Trade Association. This figure is inclusive and includes all equipment, construction, connection costs (including substations, trenching and cabling), professional fees, etc. The capital assumption does not include land.
11. The revenue predictions are conservative, realistic and based on the actual performance of a similar facility at Tangmere Solar Farm. The revenue potential is greater than this and can be determined during the next phase of the project through working with the Council's energy broker, LASER. Options for the use of energy will be presented in the detailed business case. Those options will include modelling predicted inflationary pressures on energy prices.

12. When compared to other investments that the Council has been making over the last 24 months the return available from this proposed project looks attractive:



13. The high level business case shows that £80,400 of the capital allocation referred to in para. 10 are required for the production of the detailed business case. This money is to commission the specialist studies needed for a pre-planning application. This is broken down as follows (for each of the three sites):

- Heritage assessment £10,000
- Landscape and visual impact assessment £10,000
- Review by energy consultancy £ 4,000
- Land management, Ecology & Agricultural review £ 1,000
- Pre-planning consultation forum £ 1,800

### Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible
Gateway review	Cabinet decision	7 <sup>th</sup> January 2019	Simon Hubbard, Director of Operational Services
Testing the market	Soft market testing	21 <sup>st</sup> January to 29 <sup>th</sup> March 2019	Gavin Fownes, Technical Support Officer
Specialist studies	Pre-planning applications submitted	21 <sup>st</sup> January to 29 <sup>th</sup> March 2019	Gavin Fownes, technical Support Officer

Pre-planning consultations	Planners written opinions	1 <sup>st</sup> April to 10 <sup>th</sup> May 2019	Gavin Fownes, technical Support Officer
Gauging public opinion	Pre-application forum	1 <sup>st</sup> April to 10 <sup>th</sup> May 2019	Gavin Fownes, Technical Support Officer
Detailed business case	Income Generation Programme Board	13th to 24th May 2019	Marcus Lawler, Income Generation Manager
Gateway review	Cabinet decision	10th June 2019	Simon Hubbard, Director of Operational Services

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## Wards Affected

All wards

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## Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness - No

Crime and Fear of Crime (Section 17) - No

**Risk Management - Yes**

Risk will be handled in accordance with the Income Generation Strategy. In essence the proposed project will be entered to the Corporate Risk Register and a project risk log will be maintained.

**Environmental Issues - Yes**

Should this project be commissioned it is projected to save 1,433 tons of carbon emissions, annually.

**Economic/Financial Implications - Yes**

The proposed project is likely to generate a positive contribution for the Council in line with the objectives of the Income Generation Strategy.

Human Rights Act - No

**Organisational Consequences - Yes**

In order to coordinate the resources required to develop a detailed business case the Technical Support Officer role should be extended until 30.06.2019.

**Local People's Views - Yes**

The project will be conducting pre-planning forums and this is an opportunity to gauge public opinion and concerns.

**Anti-Poverty - Yes**

Three 1 MW solar farm produce enough energy to potentially power 1,000 homes. Should this project be commissioned options to address fuel poverty will be available to the Council.

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**Other documents**

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**Officer to Contact**

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