

## Decision details

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### Development of Ground Mounted Solar Photovoltaic (Pv) Panels (Solar Farms) and Wind Turbines - NOV12/CAB/134

#### **Purpose:**

Cabinet received a report seeking its approval to move to public consultation and final preparation stage culminating in the submission of planning applications for solar farms at the three sites in the farms estate. The development of wind turbines and possibly other technologies would be reported back to Cabinet at a later date, probably in or around October 2013 before progressing to the planning application stage in 2013. Therefore, this report did not detail any potential proposals for wind turbines, and made recommendations solely in relation to solar farms. Cabinet further received and considered recommendations from the Joint Meeting of the Sustainable Growth & Environment Capital Scrutiny Committee and Scrutiny Commission for Rural Communities held on Friday 2 November.

Cabinet considered the report and the recommendations from the Joint Scrutiny Meeting and **RESOLVED** to:

1. Note the updated strategy for the development of renewable energy parks at each of the three council owned agricultural sites (America Farm, Morris Fen and Newborough farms) since the report to Cabinet dated 10 July 2012, in respect of ground mounted solar photovoltaic panels and wind turbines;
2. Approve the proposal to submit planning applications in respect of development of ground mounted solar photovoltaic panels;
3. Note that subject to planning permission being received for ground mounted solar photovoltaic panels a contract for their installation is likely to be awarded to Mears Ltd under a framework agreement approved under a decision by the Cabinet Member for Resources (reference Solar Photo-voltaic (PV) Panels Framework Agreement - JAN12/CMDN/002);
4. Note that subject to the outcome of necessary studies and continued negotiations a further report will be brought back to Cabinet for consideration prior to submitting planning applications for wind turbines;
5. Welcome the support of scrutiny;

6. Request officers work with rural communities and key stakeholders in formulating proposals for a planning application and considers how their suggestions can be incorporated into the development of the solar project, as far as is possible without restricting the viability of the project overall;
7. Note that in relation to determining the appropriate amount and range of community funds resulting from the developments, there is no agreed national or local tariff for such contributions. The level of contribution will be negotiated based on the type of development (wind or ground mounted) and the overall scale of the development. At the scrutiny committee a figure of around £6.7m, based on another local scheme, was discussed as being the expected level of contribution from this scheme. There is sufficient flexibility within the overall financial parameters of the scheme to make an appropriate level of contribution. It would be inappropriate to agree any level of contribution at this stage as this will be subject to negotiation as part of the next stage development of the proposals;
8. Request officers submit a further written update to the Cabinet and scrutiny members of a further analysis of the financial proposals and contingency arrangements but notes that the figures are considered appropriate for the purpose of the decision today, also noting that the financial appraisal has been subject to due diligence by Deloitte and Davis Langdon;
9. Confirm that:
  1. That the integration of farming with renewable energy generation is already under consideration as part of the proposals.
  2. That the sensitivities around the two sites near America Farm (Oxney Grange and Flag Fen) will be taken into detailed consideration as part of the planning process.

**Reasons for the decision:**

To enable the Council to progress its “green” agenda by developing renewable energy technologies, thus generating income through sale of energy, reducing energy costs, and reducing CO2 emissions. A two-staged approach to the build of solar farms was recommended in an attempt to ‘bank’ the higher levels of subsidy currently being offered by the government this financial year.

**Alternative options considered:**

The Cabinet could have decided not to proceed with the studies and potential development of the identified sites. If it chose to do so, it would lose a valuable opportunity to progress its development of green energy. At this stage, no credible alternative sites to those proposed have emerged.

If the Local Planning Authority concludes that the sites require EIAs (Equality Impact Assessments), an alternative route forward would be to not submit any planning applications for the solar farms this December, and submit three planning applications at the end of March 2013 covering the entire build out detailed in this report. This route would mean that only one set of planning applications for the solar farms would be submitted which would bring cost savings. However, this option would not allow the Council to potentially benefit from receiving the higher tariff levels should planning permission be issued before the end of March 2013. It was therefore considered, on balance, that the staged approach is preferable.

The Cabinet could decide to sell its agricultural land rather than use some of it for renewable energy purposes. The current value of the land is not high, and although land values are increasing, an outright sale was unlikely to achieve the best value for money from the land.

Arable Land in the East Midlands has an average value of £7,063 per acre. Based on a portfolio of 3,212 acres this gives an estate value of £22.6m. However this is very deceptive as it assumes vacant possession value. A more indicative way of valuing the farms estate would be to look at the yield and investment value, based on guidance from the RICS/RAC Rural Land Market Survey 2012. By using the net financial yield to establish value, the Council have an estate cost at approximately £10.1m assuming that the land was not sold with restrictions on use or existing tenancies. This equates to a value of £3,144/acre which was significantly lower than the regional average of £7,063.

It might be possible to achieve a higher value per acre than this, by selling the land in large blocks to adjacent farmers/investors who will be able to drive out economies of scale by farming large areas of land. The low land value resulting from the low yield was an indicator that the farms were not currently as productive as they could be, or that the land was less productive than the average values of land in the East Midlands. However it seemed likely that sale of the whole estate would achieve a one-off sum in the region of £10m, which was significantly lower than the potential financial benefits of using some of the land for renewable energy (which also allows the land ownership to be retained), and has therefore been rejected.

**Interests and Nature of Interests Declared:**

None.

**Background Documents:**

Recommendations from the Joint Meeting of the Sustainable Growth & Environment Capital Scrutiny Committee and Scrutiny Commission for Rural Communities held on Friday 2 November.

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**Date of Decision:** 05/11/2012