

**WARRINGTON BOROUGH COUNCIL**  
**RECORD OF DECISION TAKEN BY AN OFFICER**

**DECISION TITLE:                   Solar Farm Investment**

Executive Board Decision No and/or Forward Plan No (Executive decisions only)	EB EB69 & EB73 - 8th October 2018 Executive Board 11th February 2019
Directorate Ref No (Non Executive decisions only) If applicable	
Decision detail	<p>Further to the Executive Board reports of 8 October 2018 and 11 February 2019 approval was obtained to acquire two solar farms in Hull and York from Gridserve at the cost of £62.34m.</p> <p>A number of ODNs have been published setting out the actions taken under the delegations from Executive Board in order to proceed with the purchase of the Hull and York Solar Farms.</p> <p>In particular the Executive Board delegated the below:-</p> <p><i>“(v) Authorise the Director of Corporate Services and the Head of Legal and Democratic Services to enter into all necessary contracts and finalise any related documents to complete the transaction in accordance with the above delegations and the proposals contained in the Part 2 report and Business Case.”</i></p> <p>The ODN of 17 July 2019 set out the broad terms of the documents required to complete the transaction, one such document was the “Share Purchase Agreement” (SPA). This is the document under which the Council will purchase the shares in the Hull SPV in respect of the Hull site. The ODN advised that the Council will be obliged to purchase the shares upon practical completion and commissioning of the Hull site, subject to a number of conditions which must be achieved by a Long Stop Date of the 30 September 2020. This date was extended in June to 31 October 2020.</p> <p>Gridserve, who are the developer and effectively the seller of the solar farm (by selling the Hull SPV) have requested that the Long Stop Date is further extended to 30 November 2020.</p> <p>As well as the overall impact of the wet winter and the impact of COVID-19, there are a number of reasons for the further delay in the completion and commissioning of the Hull site as set out below:-</p> <ul style="list-style-type: none"> <li>- The Independent Connection Provider (ICP) had critical HV components delayed as well as resource/ capacity issues over the summer that delayed the completion of the HV Customer and DNO sub-stations being completed in their factory, being transported to site and being readied for commissioning.</li> <li>- The DNO (Northern Power Grid) has been severely impacted by the number of customer and network improvement projects</li> </ul>

	<p>that have been delayed over the spring and summer due to COVID19. The backlog has resulted in extended lead-times to support, last minute changes to previously agreed commitments as well as capacity constraints scheduling works that they have endeavoured to manage over the summer and autumn months.</p> <ul style="list-style-type: none"> <li>- The DNO commissioning in respect of energisation of the site was delayed due to completion of their own off-site high voltage works. The knock on effect was that the energisation of their 11kVA supply was delayed that impacted the live testing of the equipment on-site that subsequently delayed the site energisation dates. With the specialist resources needed, limited capacity and already fully work schedules this resulted in the DNO delaying the HV commissioning.</li> </ul> <p>The Council is committed to acquiring the Hull solar farm and as such, pursuant to the Executive Board delegation set out above, the Director of Corporate Services and Director of Law and Governance (previously Head of Legal and Democratic Services) are willing to extend the Long Stop Date to the proposed date of <u>30 November 2020</u>.</p> <p>It should also be noted that any delay to completion during the winter months works in the Council's favour, as we will in effect take ownership one less profitable month later than expected, as generation is lower during this time.</p> <p>As well as the extensions, the Council have requested changes to the SPA in respect of the treatment of the purchase price under the SPA. This is set out at <b>Appendix A</b>. It should be noted that the change in acquisition structure is an accounting issue and the Council will be paying the same amount as approved by Cabinet at the Capital Update report of February 2019.</p> <p>In considering the change to the SPA in respect of the treatment of the purchase price, it should be noted that as part of the original delegation of 8 October 2018, responsibility for approval of the final acquisition method and final holding structure for each solar farm was delegated to the Director of Corporate Services and the Director of Law and Governance (previously the Head of Legal and Democratic Services) in consultation with the Executive Board Member, Corporate Finance. This amendment is covered by this delegation.</p> <p>Both of the above amendments will be documented by way of a formal deed of variation with the relevant Gridserve group companies.</p>
Reason for decision	<p>The Executive Board delegated the approval of all necessary contracts any related documents to complete the transaction, as well as the ability to approve the structure for each far to the Director of Corporate Services and the Head of Legal and Democratic Services (now the Director of Law and Governance)</p> <p>This notice records the decision taken to extend the Long Stop Date and</p>

	the reasons why as well as the change to the acquisition structure.
Decision Maker/Responsible Officer	Lynton Green – Director of Corporate Services Matthew Cumberbatch – Director of Law and Governance
Directorate	Corporate Services
Lead Executive Board Member consulted (if applicable)	ClIr Cathy Mitchell, Deputy Leader and Cabinet Member, Corporate Finance
Decision Date	15 October 2020
Date Decision was published / notified (normally within 2 clear working days of decision being made)	27 October 2020
Summary of options considered	The only other option would be to refuse the request to extend the Long Stop Date. This would mean the Council would not be obliged to purchase the solar farm.
Interests declared	None.
Background Papers (if applicable) <i>(period expires after 4 years from date of decision)</i>	Executive Board Report 8 October 2018 and 11 February 2019. Record of an Officer Decision 31 October, 20 December 2018, 31 January 2019, 14 February 2019, 19 February 2019, 28 February 2019, 29 April 2019, 23 July 2019, 16 June 2020.
Confidential / exempt information Category (if applicable)	Part 2 reports is to be considered as a Part 2 item being exempt by virtue of category 3 and 5 Local Government Act 1972, schedule 12A. <b>Appendix A</b> - is exempt from disclosure by virtue of s.9 Openness of Local Government Bodies Regulations 2014

**NB. This form expires after 6 years.**