Grazeley Solar Farm Business Case

Committee considering report:	Executive
Date of Committee:	24 September 2026
Portfolio Member:	Councillor Iain Cottingham
Report Author:	Jon Winstanley

1 Purpose of the Report

1.1 The purpose of this report is to update Members on the latest position for the Grazeley Solar Farm project and to seek approval for the project to continue. The report summarises the strategic case for the scheme, the proposed delivery route, key risks and mitigations, and relevant local energy offtake opportunities. Detailed commercial and financial modelling is contained in the confidential Part II report and associated business case appendices.

2 Recommendation(s)

2.1 Executive is asked to approve continuation of the Grazeley Solar Farm project, subject to the allocation of appropriate funds through the Council's budget setting process, and to delegate authority to the Section 151 Officer, in consultation with the Finance Portfolio Holder and Monitoring Officer, to enter into and let the necessary contract for delivery of the scheme.

2.2 Executive is asked to endorse the addition of £4m to the 2026/27 capital programme and £11m to the 2027/28 capital programme, subject to approval by Council through the budget setting process.

2.3 Executive is asked to delegate authority to the Executive Director for Resources, in consultation with the Finance Portfolio Holder, to submit a tender for the sale of energy generated by the Grazeley Solar Farm to Aldermaston Weapons Establishment.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	The proposal has significant financial implications and will require capital funding to be considered through the Council's budget setting process. The latest financial model indicates that the Grazeley Solar Farm is expected to generate a positive long-term financial return over its lifetime, after

	allowing for the costs of construction, financing, operation and maintenance. However, the financial position remains highly sensitive to future electricity prices, borrowing costs, construction costs, generation performance, discount rate assumptions and the proportion of energy that can be used or sold locally. Recent modelling has also considered the impact of Local Government Reorganisation and the possibility that energy may only be sleeved to West Berkshire Council at the time of generation rather than across a wider future council estate. This reduces the projected financial margin and increases reliance on export sales to the grid, but the scheme remains financially positive on the assumptions modelled. The financial benefits are forecast to build gradually over the life of the asset, with a significant proportion arising in later years. This increases exposure to future economic, operational and market risks and should be considered alongside the Council's current financial position, borrowing requirements and wider financial sustainability. To meet grid connection deadlines, the capital programme will need to be amended to reflect the required delivery profile, with provision added across 2026/27 and 2027/28 to support procurement, construction, connection and energisation of the site by December 2027. Full assumptions, detailed financial modelling and the Financial and Commercial cases are included in the confidential Part II report and associated appendices.
Human Resource:	None as a result of this report.
Legal:	The proposal has a number of legal implications which will need to be managed as the project moves into procurement and delivery. These include public procurement requirements, contract award, planning, grid connection, land and easement arrangements, and governance controls associated with local government reorganisation. Legal Services will continue to advise on procurement, contractual, property, planning and governance implications as the project progresses.
Risk Management:	The principal risks relate to energy market volatility, planning variation requirements, grid connection milestones, procurement and construction costs, and completion of the cable route easement. These risks are understood and will be managed through the proposed governance, procurement, contract management and project delivery arrangements.

Property:	The solar farm will be constructed on land owned by West Berkshire Council which is currently leased for agricultural use. Relevant land, tenancy and easement arrangements will need to be completed and managed before the project proceeds to delivery.			
Policy:	The proposal supports the Council's Environment Strategy and national policy objectives relating to energy security, renewable energy generation and decarbonisation.			
	Positive	**Neutral**	**Negative**	**Commentary**
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		No direct equalities impacts have been identified. The proposal concerns approval to continue development and delivery of a renewable energy project and does not change access to services or directly affect people with protected characteristics.
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		No direct impact has been identified.
Environmental Impact:	x			The proposal will have a positive environmental impact by enabling the generation of renewable electricity on Council-owned land and supporting the Council's climate and ecological emergency commitments.

Health Impact:	x			The proposal is expected to have an indirect positive health impact by supporting cleaner energy generation and reducing reliance on fossil fuel-based electricity over time.
ICT Impact:		x		None as a result of this report.
Digital Services Impact:		x		None as a result of this report.
Council Strategy Priorities:	x			The proposal supports the Council Strategy priority of tackling the Climate and Ecological Emergency by progressing a local renewable energy project and increasing the Council's ability to generate clean electricity.
Core Business:		x		None as a result of this report.
Data Impact:		x		None as a result of this report. The proposal does not introduce new processing of personal data.

Consultation and Engagement:	Planning approval has been achieved for this project. Comprehensive consultation with relevant stakeholders was undertaken as part of the planning process. Further engagement will continue as required through procurement, delivery and any necessary planning variation.

4 Executive Summary

4.1 This report brings forward the latest position on the Grazeley Solar Farm and seeks approval to continue with the project. The scheme would create a major renewable energy asset on Council-owned land at Bloomfield Hatch, supporting the Council's

climate commitments, increasing local generation of clean electricity and making long-term productive use of an existing Council asset.

4.2 The project has been in development for several years and benefits from planning permission, a secured grid connection, Council ownership of the land and a substantial body of technical, commercial and financial work. The scheme has also faced a number of delivery challenges, including changing energy market conditions, earlier procurement difficulties, grid connection requirements and land and easement matters. Further work has therefore been undertaken to update the business case, review the delivery route and consider whether the project remains capable of being brought forward in a commercially robust and financially sustainable way.

4.3 The confidential Part II report contains the detailed financial and commercial appraisal. For the purposes of this Part I report, Members are advised that the updated assessment indicates a positive long-term case for continuing the project, while recognising that the position remains sensitive to market conditions, borrowing costs, construction costs, operating assumptions and the extent to which electricity can be used or sold locally.

4.4 The business case is strengthened by potential local electricity offtake opportunities. The formation of Ridgeway Council was expected to create greater electricity demand than West Berkshire Council alone, increasing the opportunity to use more of the power generated by Grazeley within the Council's own estate. The Government's recent pause on Local Government Reorganisation therefore adds a risk if Ridgeway Council does not proceed, as the wider sleeving opportunity may not materialise. However, updated modelling shows that even if power can only be sleeved to West Berkshire Council, the scheme remains profitable, albeit with a reduced margin and greater reliance on export sales to the grid. AWE has also issued tender documents for locally generated renewable energy, including potential private wire and Power Purchase Agreement arrangements. These opportunities could reduce exposure to wholesale market volatility, improve income certainty and strengthen the long-term financial position of the scheme.

4.5 There remain risks associated with proceeding, including energy market volatility, planning variation requirements, grid connection milestones, procurement and construction costs, and completion of the cable route easement. These risks are understood and capable of being managed through the proposed governance, procurement, contract management and project delivery arrangements. Executive is therefore asked to approve continuation of the project and the delegations set out in section 2.

5 Supporting Information

Introduction

5.2 The Grazeley Solar Farm is a strategically important renewable energy project on Council-owned land at Bloomfield Hatch, Grazeley. It supports the Council's commitment to tackling the Climate and Ecological Emergency and progressing towards net zero by generating local renewable electricity and making productive long-term use of an existing Council asset.

5.3 The report seeks approval for the project to continue and for the necessary delegations to be put in place to enable procurement, contract award and submission of a tender for the sale of electricity to Aldermaston Weapons Establishment, should that opportunity prove deliverable and beneficial to the Council.

Background

5.4 The project has been in development for several years. Planning permission has been secured, grid connection rights are in place and the land required for the scheme is owned by the Council, subject to the necessary tenancy, property and easement arrangements. These factors provide a strong foundation for delivery, but the project has also had to respond to changes in the external environment and the commercial assumptions underpinning the scheme.

5.5 Since the previous review, officers have undertaken further work to test the business case, review procurement options, update assumptions and consider the potential benefits of local electricity offtake. This has included support from technical and sustainability advisers. The detailed financial and commercial assessment is contained in the confidential Part II report and associated business case appendices.

Proposals

5.6 The preferred approach is for the Council to continue to develop the project as a Council-owned renewable energy asset, with specialist market expertise procured to design, build, connect, commission, operate and maintain the solar farm. This approach would allow the Council to retain long-term strategic control and value from the asset while securing appropriate technical expertise and contractual protections for delivery and operation.

5.7 The scheme is intended to generate renewable electricity that can be sold to the grid and, where commercially and technically viable, used or sold locally through offtake arrangements. Increasing the proportion of electricity used locally could improve income certainty, reduce exposure to wholesale market volatility and strengthen the long-term case for the project. The potential for electricity to be used by the future Ridgeway Council estate and the current opportunity with Aldermaston Weapons Establishment are therefore important considerations.

5.8 The project remains subject to a number of delivery risks. These include future electricity prices, borrowing and construction costs, procurement outcomes, planning variation requirements, grid connection milestones and completion of land and cable route arrangements. These matters will continue to be managed through detailed project governance, legal and financial advice, market engagement, procurement controls and contract management.

5.9 Subject to Executive approval, officers will progress the procurement process and associated enabling work, including the planning variation, grid connection requirements, easement completion and commercial offtake opportunities. Further decisions and approvals will be taken in accordance with the Council's governance arrangements and any relevant requirements arising from local government reorganisation.

6 Other options considered

6.1 A “Do Nothing” option has been considered. This would mean the Council not proceeding with the delivery arrangements required to construct and operate the solar farm. Although this would avoid committing to the capital delivery phase, it would also mean that the Council would not secure the strategic, environmental and long-term energy benefits associated with the scheme.

6.2 The Do Nothing option would remove the opportunity to create a locally controlled renewable energy asset on Council-owned land and would require the Council to identify alternative ways to make a comparable contribution to its net zero commitments. It would also mean that the preparatory work already undertaken would not result in delivery of the intended renewable energy benefits.

6.3 Alternative delivery and commercial approaches have also been reviewed as part of the wider business case work. The recommended approach remains for the Council to continue to progress the scheme while retaining ownership of the asset and procuring specialist expertise to deliver and operate it. This provides the best balance between strategic control, long-term value, risk management and deliverability.

7 Conclusion

7.1 The updated business case demonstrates that the Grazeley Solar Farm remains a strategically important project for the Council. The scheme would support the Council’s climate and energy objectives, make productive use of Council-owned land and create a local renewable energy asset capable of generating clean electricity over the long term.

7.2 The project is not without risk, particularly in relation to market conditions, procurement, planning, grid connection and land arrangements. However, these risks are understood and capable of being managed through the proposed governance, procurement, contract management and project delivery arrangements, supported by legal, financial and technical advice.

7.3 On balance, the benefits of continuing with the project outweigh the risks of both proceeding and not proceeding. It is therefore recommended that Executive approves continuation of the Grazeley Solar Farm project and the delegations set out in section 2 of this report.

Subject to Call-In:

Yes: ☐ No: ☒

The item is due to be referred to Council for final approval ☐

Delays in implementation could have serious financial implications for the Council ☐

Delays in implementation could compromise the Council's position: ☐

Considered or reviewed by Scrutiny Commission or associated Committees, Task Groups within preceding six months ☒

Item is Urgent Key Decision ☐

Report is to note only ☐

Wards affected: Burghfield and Mortimer

Officer details:

Name: Jon Winstanley
Job Title: Service Director Environment
Tel No: 01635 519087
E-mail: jon.winstanley@westberks.gov.uk