

REPORT TO:	Cabinet	
DATE:	18 June 2025	
PORTFOLIO:	Councillor Ethan Rawcliffe - People and Communities	
REPORT AUTHOR:	Policy Manager	
TITLE OF REPORT:	Coach Road Solar Meadow Project	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	No	Not applicable
KEY DECISION:	No	If yes, date of publication:

1. Purpose of Report

1.1 To seek Cabinet's approval to pay a grant of £20,000 to Prospects Community Energy Limited ("PCE") to support the Solar Meadow Project at Coach Road in Oswaldtwistle, a community renewable energy project to help achieve net zero in the Borough.

2. Recommendations

2.1 Cabinet approve payment of a grant of £20,000 to Prospects Community Energy Limited to help support the development of the Coach Road Solar Meadow project, subject to compliance with the requirements of s39 Subsidy Control Act 2022 relating to the payment of SPEI subsidy (as further detailed in paragraph 3.7 of this report).

3. Reasons for Recommendations and Background

3.1 PCE intend that the Solar Meadow project will generate up to 2 megawatts of electricity, equivalent to the needs of about 550 houses, and will help to reduce carbon emissions by replacing fossil fuels with renewable energy. PCE is an independent community benefit society set up by the PROSPECTS Foundation to develop, own and run the solar meadow project on the Foundation's 11-acre site at Coach Road in Oswaldtwistle. The Foundation is a registered charity and company limited by guarantee and will lease the site to PCE. It is understood the lease will be completed shortly.

3.2 In January 2024, PCE received an initial grant of £25,000 from the Net Zero Working Group to assist with the cost of a planning application for the proposed solar panels. Planning permission was granted, subject to conditions, on 12 June 2024 and project development activity has continued since then. PCE have reached agreement with William Blythe Limited for the purchase of energy generated at the site, with any surplus being sold via the national energy network.

3.3 PCE have now requested a further grant of £20,000.00 from the Council to help them to progress delivery of the project. The additional funding is intended to be used to:

- Meet PCE's legal costs, technical costs and easement fees in respect of the lease of the Coach Road site;
- Meet development costs, such as costs and expenses relating to due diligence and statutory procedures;

3.4 PCE are trying to raise £1.9m million, 50% through a community share offer and 50% from ethical investors to cover entire cost of construction of the project. PCE have appointed a co-operative society called Sharenergy Co-operative Limited (specialists in supporting community energy schemes) who will be project managing the community share offer, hopefully this autumn, with construction of the solar panels planned for 2026 in respect of the Coach Road site.

3.5 The community shares will be offered widely (nationally) and PCE hope there will be a substantial local take-up. Community shares are a particular type of investment - a withdrawable, non-transferrable equity investment into a cooperative or community benefit society. They are a form of equity because the investors get a share of the organisation and asset. They are 'withdrawable' because the investor can take their money out of the organisation if they choose to. So being not tradeable, they do not acquire a market value (though they may be sold back to the society) and deliver interest to the investor rather than a dividend.

3.6 Any surpluses generated by the community benefit society must be used according to the rules of the society and strictly regulated by the Financial Conduct Authority. Sharenergy are currently sending out invitations to tender to installers for up to date estimates of the capital cost of the project, to inform the business plan, share offer and loan funding.

Subsidy Control Act (SCA)

3.7 The proposed grant to PCE will qualify as a subsidy for the purpose of the Subsidy Control Act 2022 ("SCA") as it meets the definition of a subsidy, namely:

- The payment will be given directly or indirectly from public resources by a public authority
- It will confer an economic advantage on one or more enterprises, namely PCE
- Benefit will be gained by the enterprise receiving the grant over one or more other enterprises with respect to the provision of goods or services

- The grant will or is capable of having an effect on competition or investment within the UK.

3.8 Officers consider that PCE can be considered to provide “services of public economic interest” (“SPEI”) pursuant to section 38 SCA as its services are:

- provided for the benefit of the public; and
- would not be provided, or would not be provided on the terms required, under normal market conditions.

The Act essentially recognises that some enterprises have social value but are not usually financially viable without some form of public sector financial support. The project is also considered to be a SPEI service.

3.9 The Act usually requires a detailed assessment to be produced to demonstrate that the subsidy is compliant with the subsidy control principles set out in the legislation. This can be a lengthy process and involve a detailed financial and economic assessment process. However, s38 and 39 of the Act allow subsidy of up to £725,000.00 to be paid to a SPEI enterprise over a rolling three-year period (looking at the current financial year and the two previous financial years) without the need for an assessment against the subsidy control principles, provided a number of procedural requirements are complied with. In particular:

- the Council must serve notice on PCE stating the gross amount of the SPEI assistance and asking PCE to confirm that this will not cause PCE to exceed the £725k threshold; and
- the Council cannot provide grant funding to PCE until it receives confirmation from PCE that the threshold will not be exceeded; and
- the Council must serve a further notice on PCE after the grant has been paid to confirm that it was SPEI assistance, its gross value and the date it was given.

4. Alternative Options considered and Reasons for Rejection

4.1 Cabinet could decide not to agree to the grant, or could award a lesser amount. However, if this approach is taken, the progress of the project may be delayed and the prospect of successful delivery of the project will be reduced unless alternative funding can be found from other sources.

5. Consultations

5.1 To date the Coach Road Solar Meadow project has been discussed with the Net Zero Working Group (November 2023).

6. Implications

Financial implications (including	It is proposed that the £20,000,00 requested
--	---

any future financial commitments for the Council)	will be funded from the underspends budget, subject to Cabinet approval.
Legal and human rights implications	<p>The subsidy control position is set out in section 3 of this report.</p> <p>Legal Services will be instructed to draft a grant agreement between the Council and PCE and this will be completed before any monies are paid. The grant agreement will provide for grant repayment in the event that the money is not spent, or is not spent in accordance with the funding request.</p>
Assessment of risk	<p>The Council's biggest risk will be to ensure compliance with the grant conditions. This will be mitigated by monitoring arrangements. Progress and spend will be monitored closely by the Council to ensure compliance with grant conditions..</p> <p>Payment of the grant does not ensure that the project will be successful as risks remain in respect of the success of the proposed share offer and future fund-raising to finance delivery of the project.</p>
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	<p>The Council is subject to the public sector equality duty introduced by the Equality Act 2010. When making a decision in respect of the recommendations in this report Cabinet must have regard to the need to:</p> <ul style="list-style-type: none"> • eliminate unlawful discrimination, harassment and victimisation; and • advance equality of opportunity between those who share a relevant protected characteristic and those who don't; and • foster good relations between those who share a relevant protected characteristic and those who don't. <p>For these purposes the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. To assist the Cabinet in this regard a Customer First Analysis has been carried out as part of the review process and is attached as an Appendix to this report. Cabinet is advised to consider the</p>

	Customer First Analysis and its obligations in respect of the public sector equality duty when making a decision in respect of the recommendations contained in this report.
--	--

**7. Local Government (Access to Information) Act 1985:
List of Background Papers**

7.1 *Copies of documents included in this list must be open to inspection and, in the case of reports to Cabinet, must be published on the website.*

8. Freedom of Information

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.