

# Case Study

## West Suffolk Council: Solar farm and rental income

West Suffolk Council is a district authority in the East of England, which has invested in the renewable energy market and commercial rent, which had a secondary benefit of protecting jobs and business interest in the local area.

In the summer of 2016, Forest Heath District Council (now West Suffolk Council) invested £14.5m in a 12.4MW solar farm - at the time the largest local authority owned solar farm in UK. The solar farm developed at a time to qualify for the Government's Renewable Obligation. The total income for the project was £1.43m over the 12 month period up to 31 March 2019, compared to a predicted total income of £1.28m. After accounting for operational costs such as business rates, insurance, the operational and maintenance contract, lease payment and the capital investment this has resulted in a net benefit of £524k compared to a predicted £350k net benefit to be re-invested into the delivery of much valued district wide services.

In May 2012, the council acquired a factory site, securing 130 local jobs that had been at risk. It then leased the site to a new business - Omar Group. This deal cost the council £1.456m, but secured £200,000 per annum in rent. The company grew to employ around 350 people by 2015 but needed more factory space to increase production. A new deal saw the Council invest more than £500,000 into the building of a factory extension - with the business paying the other 50 per cent of the construction costs. This extension created a further 80 new jobs in our local economy. In return Omar Group signed up to a new 15 year lease with an increase annual rent, representing a further 10 per cent return on the new investment. The Council will also own the building at the end of the current lease. The factory extension was opened in August 2016.

### Key themes:

Income generation, finance, commercialisation, investment, solar power, environment, renewable energy.

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