

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Susan Carey, Cabinet Member for Environment

DECISION NO:

22/00099

For publication

Key decision: YES

Subject Matter / Title of Decision: Kings Hill Solar Park: Additional funding

Decision: As Cabinet Member for Environment, to deploy up to £878,000 of additional funding to cover the increase in costs including risk contingencies to complete the Kings Hill Solar Park project.

Reason(s) for decision: The original agreed funding of £4.167k is not sufficient to deliver the project due to delays from the land purchase, ecology finds, additional surveys, UKPN uplifted costs and additional contingencies. This increased the timeline by 17 weeks causing an increase in the overall cost of the project. The increased costs of electricity however mean that the overall revenue position improved and has now been updated.

Cabinet Committee recommendations and other consultation:

The proposed decision is being considered at Environment and Transport Cabinet Committee on 8 November 2022.

Any alternatives considered and rejected:

Do nothing –stop works and do not complete the project due to the cost increases. There is the risk/likelihood that KCC would have to hand back the full PSDS grant, will incur abortive costs that will exacerbate the in-year 2022/23 revenue monitoring overspend position as well as have to adjust the Medium-Term Financial Plan (MTFP) and remove the planned surplus/rebate of £140,000 per year from future budgets.

Seek alternative funding – potential to stop works and seek alternative funding solutions, applying for further funding where possible. There is a risk that KCC might have to hand back the full PSDS grant funding used on the project if it is not completed. KCC would also incur significant abortive costs on the project to date and not benefit from the income the project would generate in the future if works were not completed which is already built into the 2022/23 and 2023/24 KCC budgets.

KCC fund the shortfall (Borrowing) – complete the project, retain the allocated grant, and fund the offset with KCC capital borrowing. Currently KCC is very close to its key performance indicator of borrowing costs at less than 10% of revenue budget, plus KCC's capital strategy is to prioritise borrowing towards statutory projects/rolling programmes such as basic need, highways, and the corporate estate.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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signed

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date