

Wokingham Council wants to borrow £25 million to create a solar farm

Wokingham Borough under the Lib Dems pleads poverty, cuts crucial services like refuse collection and street maintenance, yet now says it can afford £25 m to buy itself a solar farm.

When the Borough first looked at such a plan the capital cost was £20m. So it has gone up by 25% since then. Interest rates then were a lot lower. That meant the scheme then could be worth the risks. Next the Council was told they could not connect to the grid until well into the next decade, undermining the scheme completely.

Today the Lib Dems want to revive it even though the risks have increased considerably. The future interest charges on the borrowing have leapt up to £16.44m and the repayments are increased with the higher capital costs. The only things taxpayers can be sure about is they will be paying back the money spent and the interest on it for many years. It is quite possible costs would escalate further during build, adding to the taxpayers burden.

The Council have made up for the big escalation in costs by claiming they will get more money for the electricity they will be selling if all goes well with the scheme. That may or may not be true. Power prices have been very volatile in recent years and can go down as well as up. They have been falling over the last year. They now think there will be a grid connection in 2026. Is that watertight and guaranteed? There is now an Electricity Generator Levy on solar for larger players. That tax might be extended to others.

Councillors should be careful before spending £25 million they need to borrow. We can be sure we will be lumbered with the debt, but a lot has to go right to make profits from 2026 assuming they can sell the power from that date.

The Council should concentrate on mending the potholes, re opening the roads and restoring a good refuse system instead of finding more ways to plunge Council taxpayers more into collective debt.