

Full Council

8 June 2026

Beehive, Solar Panels Contracts

Purpose of Report

Council is asked to **RESOLVE** matters.

Recommendation:

Council is asked to **RESOLVE** to approve appointment of a solicitor (costs from the Beehive low carbon £31k, 26/27 budget) to advise and prepare any draft new/extended/replacement agreements that may be needed to regularise Beehive solar panel agreements eg lease and Power Purchase Agreement.

Background:

1. Full Council resolved in August 2025 to set up a Working Group to investigate the provision of air conditioning to the Auditorium at the Beehive. Subsequently the Beehive Low Carbon Working group was established and during its discussions the working group has queried the position re the solar panels on the roof of the Beehive.
2. The following sets out the background to the installation of the solar panels on the roof of the Beehive further to consideration of past Full Council minutes and reports provided by officers to Councillors.
3. In December 2015 Full Council considered a proposal to install solar panels on the roof of the Beehive (15/236) by way of a lease with Exeter Community Energy.
4. The issue was due to ECOE requiring a lease of 20 years which Honiton Community Complex (HCC) at the time could not agree to as it only had a lease for 10 years with HTC. As such the Council had to put in place arrangements for the remaining term.
5. Full Council at its meeting on 11th May 2016 set up a working group to consider correspondence received from the Council's solicitor, carry out investigations and report back. Full Council was advised that if installation of the solar panels had not started by September (2016) the whole deal would be lost.
6. The Solar Panels Working Group met on Monday 16th May 2016 and considered in detail the proposal.

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7. The minutes of the Solar Panel Working Group were approved by Full Council in June 16 with Full Council to consider legal documents an Extra-Ordinary meeting on 27.6.2016.
8. Instead the matter was considered again at the Full Council meeting in July 2016 where it considered the recommendation to progress the matter from the Working Group which met on 29.6.2016 and these minutes were approved by Full Council in July 2016 together with draft Terms of Agreement.
9. Full Council in September 2016 provided the Town Clerk with delegated authority to sign and seal the following documents:
 - a) Lease Agreement – Solar Rooftop (Commercial) + site plan
 - b) Call Option Contract with lease agreement + site plan
 - c) Licence to Underlet.
10. There appear now to be several lease agreements in force, some of which unsigned copies have been located but nevertheless the legal contracts have been implemented for many years since 2016.
11. Legal Agreements are:
 - Power purchase agreement (PPA) ECOE – HCC 10 years from September 2016
 - Lease of solar panels ECOE – HCC 10 years end September 2025
 - Lease of solar panels ECOE – HTC 11 years end September 2036
 - Licence to Underlet ECOE – HCC – HTC
 - Call Option Agreement ECOE – HTC
12. Therefore it appears that there is a legal agreement ECOE – HTC to September 2036 for provision of the solar panels. Although there may be an option for lease of the solar panels ECOE – HCC.
13. It is not clear the purposes of the Call Option Agreement nor Licence to Underlet and legal advice on this matter may help.
14. It appears that there is a PPA in place until September 2026 and action is needed now to make arrangements for a PPA with ECOE beyond September 2026.
15. This matter could and perhaps should have been resolved in 2025 coinciding with a new long term lease agreement of the Beehive HTC – HCC in August 2025.

Report:

16. Full Council will need to determine actions to enable a new PPA to be implemented.
17. The Council should identify the options and evaluate those, so that it can arrive at a value based Decision.

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18. To enable that analysis, HCC has been asked to provide its electricity consumption and costs from solar panels and purchased from the grid. At the time of writing that has not been provided; nevertheless, the Council has made its own analysis of consumption and costs. It appears, and subject to HCC's consumption and costs and evaluation of the options, that HCC's electricity costs for operating the Beehive are £400 pm less because of using solar generated electricity.
19. Two options appear obvious:
- a. to enable HCC to enter into an extension of the existing PPA (with ECOE). This is HCC's preferred option. It is understood that the current preferential unit rate (currently circa 9p per kwh) will be maintained; for comparison the grid rate is circa 18p for kwh. Further discussion with ECOE will be necessary;
 - b. for the Council to enter a new PPA with ECOE and sell the electricity (to HCC for operation of the Beehive). It is understood that the current preferential unit rate (circa 9p per kwh) will not be maintained and instead a higher rate; for comparison the grid rate is circa 18p for kwh. Further discussion with ECOE will be necessary.
20. The Council is likely to need to discuss options with ECOE.
21. Council is asked to **RESOLVE** to approve appointment of a solicitor (costs from the Beehive low carbon £31k, 26/27 budget) to advise and prepare any draft new/extended/replacement agreements that may be needed to regularise Beehive solar panel agreements eg lease and Power Purchase Agreement.

Name: Stephen Hill
Post: Town Clerk
Month year: 1 June 2026

