Committee	Cabinet
Date and Time	2 December 2026 PUBLIC

Future Options for Biodynamic Carbon Limited and Maesbury Road Solar Farm

Cabinet Member:	Councillor Roger Evans – Portfolio Holder for Finance Councillor Sarah Marston – Portfolio Holder for Communities and Environment
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Service Area:	Finance
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Electoral Divisions Affected	All
Key Decision?	Key
Cabinet Forward Plan	Yes – 21st October 2026
Report considered by	Cabinet – 2 December 2026

1. Purpose of Report

1.1 This report considers options for the Council's future involvement within the Joint Venture with Carbon Hill (Biodynamic Carbon Limited) and specifically the relationship with regard to the Coder Road, Ludlow site and the Solar Farm Project at Maesbury Road.

1.2 This report seeks Cabinet authority to explore disposal options and undertake non-binding negotiations. Any proposed disposal or termination will return to Cabinet for approval where necessary, with referral to Council where constitutionally required.

1.3 The preferred option to fully explore is the sale to Carbon Hill of the Council's 50% shareholding in Biodynamic Carbon Limited and its separately owned Ludlow facility, subject to valuation, due diligence and the Council's disposal procedures

1.4 For the Solar Farm project, officers would explore a third-party sale and report back on feasibility and proposed terms. Avoidance of approximately £1.9m of further construction expenditure is a potential outcome, dependent on effective contractual arrangements, necessary consents, transaction costs and retained liabilities. No transfer or release from existing commitments is approved at this stage.

1.5 As a key part of this decision, it is critical to reflect on the financial emergency declared by the Council in 2025 and the consequential need for Exceptional Financial Support (EFS) from government.

1.6 Importantly, this report recognises the recent MHCLG report that led to the Non-Statutory Best Value Notice. The report notes that the Council is no longer in a position where it can afford to fund any future activity and needs to recover as much of its investment in the Ludlow manufacturing facility, as possible.

1.7 The options inform the proposed preparatory work and negotiating approach, not a final transaction decision. The further report will evaluate value, deliverability, lawful powers, contractual rights, retained liabilities and alternatives

1.8 While the report does not attempt and is not intended to account for the history of both projects, it does give a timescale of events. There are clearly lessons to be learned from the experience, that need to be avoided in future. These will be addressed separately and as part of a review of financial standing orders and governance with regards to arm's length trading companies and the Council's oversight.

2. Recommendations

Cabinet is asked to

2.1 Confirm the understanding of the financial emergency facing the Council and the need to limit capital commitments to reduce the need for borrowing and remove the risk of any future capital investments, at least the short and medium terms.

2.2 Authorise the Chief Executive, in consultation with the section 151 Officer, Monitoring Officer and relevant Portfolio Holders, to coordinate preparatory work and non-binding negotiations concerning the Council's BDC and Solar Farm interests

2.3 Authorise officers to assess sale or lease arrangements for the Council-owned Ludlow land, buildings and plant, subject to the same limitations and the Council's disposal procedures.

2.4 Authorise formal non-binding discussions with Carbon Hill, subject to verification of any rights under BDC's articles and shareholders' agreement. This does not grant exclusivity or waive the Council's disposal procedures for its separately owned assets.

2.5 Authorise non-binding discussions with alternative interested parties as appropriate, subject to applicable transfer restrictions and the Council's disposal procedures.

2.6 Authorise officers, within the arrangements in recommendation 2.2, to undertake proportionate market engagement and non-binding discussions to establish whether a third party could take over the Solar Farm project, noting that any transfer, land arrangement, novation or termination proposal requires a further authorised decision.

2.7 Agree that, if no acceptable purchaser or transfer agreement can be secured for the Solar Farm project, officers should consider the preparation of a termination proposal identifying the contractual basis, notices, accrued liabilities, compensation, site obligations and funding implications.

2.8 Require proposed disposals and any Solar Farm termination proposal to return to Cabinet with valuation, due diligence, financial and legal advice, including the treatment of the Council's loan, security and retained liabilities.

2.9 Support the intended contribution of the proposed disposals to the Financial Sustainability and Recovery Strategy agreed by Cabinet in July 2026, subject to acceptable terms being achieved. The non-statutory nature of the activities, the Council's financial emergency and the reported Non-Statutory Best Value Notice do not dispense with applicable legal duties or make disposal legally compulsory.

3. Background

Biodynamic Carbon Limited and Pyrolysis

3.1 In 2022 Officers received presentations on the use of pyrolysis in producing biochar, a carbon-rich, charcoal-like material, primarily used to improve soil health, retain nutrients and water, and sequester carbon**.** Officers expressed an interest as they believed it would assist the journey to Net Zero by 2030. They also saw a potential commercial opportunity.

3.2 In September 2023, Council approved an investment in pyrolysis technology to produce and sell biochar, Carbon Removal Certificates (CORCs) and renewable/sustainable electricity. The proposal was passed approving £2.0m capital funding, financed from the Commercial Investment Fund. The investment was to be used for the acquisition, installation and commissioning of a fully operational plant capable of producing a minimum 500 tonnes of biochar per annum.

3.3 The Council's Ludlow Anaerobic Digestor site at Coder Road was chosen for the new pyrolysis facility. The site was chosen as the existing freehold building was vacant, the building and yard area was of a sufficient size to accommodate the pyrolysis operation and store supplies of feedstock and biochar on site. There was an existing grid connection, and the site is in an industrial area, has direct access from a major road and sits within Employment land allocation. Planning for the biochar plant at Ludlow was approved in March 2025.

3.4 Following Council approval a Special Purpose Vehicle (SPV) Joint Venture Company, Biodynamic Carbon Limited was incorporated on 21 May 2024. The Council holds a 50% equity stake as does Carbon Hill. Carbon Hill has experience in the use of pyrolysis technology and the production of biochar through its Woodtek

business. Each partner holds 500 x £1 shares and appoints two directors each to the Biodynamic Carbon Limited board.

3.5 The Council provided a direct loan of £520,000 with £490,000 as a secured loan facility for a 5-year term at an annual interest rate of 8%. An additional £30,000 was included for identified setup costs. The business lacked sufficient working capital from the outset.

3.6 The Council holds a Loan Agreement and Debenture signed in May 2024, a Postponement Deed signed in June 2024, and a Mortgage of Chattels agreed in August 2024, against the loan.

3.7 Biodynamic Carbon Limited own the plant at Welshpool with the land owned by The Tree Top Trust. Biodynamic Carbon Limited are charged a monthly rental of £1,000.

3.8 In July 2025 approval was given for additional capital of £1.3m. This was required to cover for site remediation and draining, and clearance of legacy tanks. Additionally, part of this second tranche of capital was needed to cover increased construction and machinery costs.

3.9 The work to remediate the site and install the plant was won by Biodynamic Carbon Limited having bid through a formal tender process compliant with the procurement regulations. Evaluation was compliant but perhaps a little thin, with only one other bidder. A Red Book compliant contract was entered into between the Council and Biodynamic Carbon Limited.

3.10 The Ludlow plant and site is 100% owned by the Council. Revenue generated from the facility is to be split 70% to the Council and 30% to Biodynamic Carbon Limited.

3.11 The initial business case for the Ludlow site shows a net income of £351k in first full year of operation. A draft contract has been agreed, but not signed, with RAFT Energy who use biochar to develop products for various sectors. The two-year contract is valued at approximately £500k for each year. Appendix B shows Biodynamic Carbon Limited's 6-year financial plan produced in early 2025. Revenue for 2025/6 was forecast at £540k, with net profit of £168k. Net profit was expected to rise to £523k by 2030/31.

3.12 Appendix C shows Biodynamic Carbon Limited management accounts and balance sheet to October 2026. The company have recorded a 7-month loss of (£135k). The 2025 financial plan expected a profit for 2026/27 of £372k. The balance sheet shows negative net assets (£49,315).

3.13 The final strand of The Pyrolysis Project resulted from positive feedback received from several local authorities, keen to understand the pyrolysis process.

3.14 The Framework was created with collaboration from external experts, including Klere, Enviroconsult, Biodynamic Carbon Limited, Richardo and Anthony Collins Solicitors. Klere provided most of the support coordinating the work of the other partners. Phase 1 evaluation will cost customers £20,000 of which the Council takes £6,000 and Klere £14,000.

3.15 There are 8 councils that have traded with the Council, including 5 through the Midland Net Zero Hub and a further 9 in discussions, at various stages. Financial results have been limited.

Solar Farm

3.16 The Maesbury Solar Farm project was approved by Council on 13th January 2022 and has a Capital budget of £2.1m. The project plans to deliver a 2 MW solar farm on a Council owned former landfill site on the Maesbury industrial estate in south Oswestry, making use of an otherwise unusable site and generating green energy. The entrance to the site was used as a Civic Amenity site until the site was closed. For many years the site was monitored for landfill gas emissions and leachate but that was ceased by the Council some years ago.

3.17 The project aims to supply power to a neighbouring business under a Private Power Agreement (PPA). A nearby industrial manufacturer and the Council have entered into a PPA which currently runs for 15 years and will pay the Council £128 per MKW. The PPA fits with the manufacturing company's corporate goal to be a carbon neutral company. The Council would sell the power to the nearby manufacturer, with any excess being exported to the local Grid. The revenue from the PPA would generate sufficient income to repay the borrowing costs and generate a financial surplus. The life of the solar farm is estimated at 25 years.

3.18 Planning permission was granted on 18th September 2024, with conditions. Following a competitive tender exercise in 2025, a leading construction company was selected as the main contractor. In February 2026 the Council entered into a JCT contract to design, deliver and operate the facility for an initial period of 2 years. The design stage has been completed and the planning conditions discharged. The project is therefore ready to commence the construction stage on site.

3.19 Progress on the project has been paused whilst the Council review all major capital projects, and the project faces two critical issues.

- Limitations on Council borrowing. The current financial position of the council makes borrowing for discretionary non-core projects a challenge.

- Changes to Connection Agreement. All solar farms need a Connection Agreement with the local electricity District Network Operator (DNO) before they can operate. The local DNO is Scottish Power, and they had previously agreed a Connection Agreement for the Maesbury Solar Farm to generate up to 2 MW and to allow an export of 1 MW to the local grid with no new grid investment. Following new regulations, the DNO has written to our contractors on 8th September 2026 stating that they wish to see a significant upgrade to the manufacturing company substation before the solar farm can operate. The Scottish Power cost for such an upgrade is £156,688 and the manufacturing company estimate that they will have to make a similar investment.

3.20. Officers have discussed the implications of these issues with our legal advisors, and they have advised on the implications of several options. In particular we have discussed whether the Council has the right to terminate the project and the agreements we have with the parties. Their advice is included in section 4 below.

4. Summary of Main Proposals

Biodynamic Carbon Limited and the Ludlow Site

4.1 Given the current financial position of the council, the overall performance of Biodynamic Carbon Limited since incorporation in 2023 and the Councils £3.3m investment in the Ludlow production facility there is a need to consider the Councils ongoing involvement in Biodynamic Carbon Limited. Four options have been considered and are set out below. The Council's position as shareholder and secured lender is distinct from its ownership of Ludlow and its contractual relationship with Biodynamic Carbon Limited.

4.2 Based on the assumptions presented in this report there is no option that will guarantee a full return on investment. However, option one provides the most commercially appropriate route for the Council. Carbon Hill have worked alongside the Council for three years and have a vast knowledge of the pyrolysis landscape. If agreement is reached with Carbon Hill, it will provide the quickest solution to achieving the sale of the Ludlow plant and the Council shares in Biodynamic Carbon Limited.

4.3 Two of the options considered are likely to require the Council to fund further working capital to Biodynamic Carbon Limited and potentially significant further investment in the Ludlow site. Under the current financial position of the Council, and the Financial Sustainability and Recovery Strategy, additional funding will be unlikely.

4.4 There is a window of opportunity for the Council to affect a disposal of both assets, with Ludlow one step away from commencing production.

4.5 Subject to Cabinet approval and the Council's constitution, the section 151 Officer will lead negotiations, supported by the Monitoring Officer and independent advisers. Actual and potential conflicts must be recorded and managed before participation in negotiation or decision-making. Completion is subject to the conditions in section 9 and the limits of the approved delegation.

Solar Farm

4.6 Under the original project proposal presented to Council on 13th January 2022, the Council would contract with a Solar Farm operator to design, Build and Operate a solar Farm on the Maesbury Landfill Site. This was conceived as an investment in the Council's goal to address the climate crisis. The site is owned by the Council and until the 1980's was used as a raised landfill site for Domestic and Commercial refuse. The entrance to the site was used as a Civic Amenity site. It was closed for many years with the site being monitored for landfill gas emissions and leachate. Monitoring was ceased by the Council some years ago. The use as a solar farm was seen as a practical use of an otherwise unusable piece of Council land.

4.7 A PPA has been agreed between the Council and a nearby industrial manufacturer for an initial 15-year period which will generate £128 per MKW. Under the terms of the PPA, the industrial manufacturer is responsible for any connection costs to the Grid,

4.8 This original business case is now no longer considered viable because of the two issues outlined above – namely the Council's ability to borrow the £2.1m for discretionary non-core projects, is now significantly restricted and the new Connection Agreement from Scottish Power has increased the costs of the project.

4.9 Whilst the increased connection costs are the responsibility of the industrial manufacturer, they have indicated that they do not have access to the increased funds required and are concerned about the possible disruption to production which would result from implementing the new Connection Agreement requirements. The industrial manufacturer is keen to continue with the project but would prefer that the scale of the project is reduced so that it falls below the threshold which would require the additional connection requirements, 1MW. They would be willing to increase the length of the PPA and increase the PPA rate to the Council if this approach were adopted. This position is discussed in the alternative options below.

5 Alternative Options

Biodynamic Carbon Limited and the Ludlow Site

5.1 **Option One. Preferred option**. To negotiate the sale of the Council's Ludlow plant, buildings and land to Carbon Hill and any partners they engage. On completion Carbon Hill would be responsible for undertaking all outstanding testing and proving. The Council would also offer Carbon Hill the opportunity to purchase it's 50% equity in Biodynamic Carbon Limited. This option offers the Council the best and quickest opportunity of achieving its required outcomes of effecting an orderly and timely transfer of assets.

5.2 **Option Two.** This would come into play if option one failed. The Council would contact other organisations that have expressed an interest in purchasing both the plant, land and buildings at Ludlow and the Councils 50% equity stake in Biodynamic Carbon Limited. The Council would need to complete all testing, carrying any associated risk. This option will allow the Council to achieve its objectives by disposing of its interest in Biodynamic Carbon Limited along with the Ludlow site.

5.3 **Option Three.** Continue the Biodynamic Carbon Limited JV partnership with Carbon Hill but with changes to governance, resources, and cost giving greater shareholder oversight. Further detail is included in **Appendix A**. The pause in testing of the C1000 plant at Ludlow would be ended and final proving undertaken, with the Council carrying all risk of testing. This option will, likely, need additional council funding for working capital and will not meet the Councils required short-term financial outcome.

5.4 **Option Four**. Continue the Biodynamic Carbon Limited JV partnership as is, with no changes. Shareholder oversight would remain limited and full cost would remain unallocated to Biodynamic Carbon Limited. As with option three the business is likely to require additional working capital in the short term and there is a continued risk of business failure, based on past performance. This option will not meet the Councils required financial short-term outcome.

Solar Farm

5.5 **Option One.** Terminate the Project. The Council would notify both its contractors that the project is no longer viable, and we wish to terminate the PPA and JCT Agreement. This would save the Council from having to utilise the remaining £1.9m allocated funding. There is no financial penalty for terminating the PPA.
The implications of termination of the JCT contract would have financial consequences for the Council. The contractor would be entitled to financial compensation as follows:

- Lost Profit (7% of the remaining contract value) = £128,256
- Expenses estimated = £50,000
- Cost of Materials = 0
- Payment of contract retention £2,454.
- This gives an estimated additional cost to the Council of £180,710. The Council would be unable to recover their sunk costs on the project to date, which is forecast at £289,276.

5.6 **Option Two.** Understand if the industrial manufacturer who have agreed the PPA have an appetite to take over the Project. Their plant at Oswestry is an all-electric facility and the company has been investing in both the site and green energy in its goal to become Carbon Neutral. Officers have had initial discussions to see if they would be willing to take on the project and thereby take funding responsibility away from the Council. This would entail terminating the PPA and Novating the JCT contract. At this point the Council would step away from the project save for letting the top of the landfill site to the industrial manufacturer for their Solar Farm.
The benefits of this approach would be the project still being delivered with a reuse of the landfill site, and the Council avoids the need to borrow the full £2.1m.
Unfortunately, the industrial manufacturer have advised their ability to raise £2.1m for this project is limited and are, therefore, unable to proceed with this option.

5.7 **Option Three.** Build a smaller Solar Farm. The increased Connection Costs have arisen because of Scottish Power implementing new policies for Solar instillations over 1MW. Officers have discussed with the industrial manufacturer and Scottish Power the implication of reducing the size of the Solar Farm. The industrial manufacturer are willing to extend the term of the PPA from 15 to 20 years if the solar farm size was reduced and so avoid the need for higher investment in the Sub-station. Developing a smaller solar farm would not necessarily reduce the overall cost of the project and proceeding with this option would still require the Council to borrow between £1.8m - £1.9m.
Scottish Power have informed Council that the new policies apply to the total solar panels feeding one site. The manufacturer has already installed 990 KW of solar panels. Consequently, reducing the size of the Solar Farm would still mean the whole site was above the 1MW limit and so require the full sub-station investment. Reducing the size of the Solar Fram would not overcome the issues facing the project and this option should therefore be discounted.

5.8 **Option Four Preferred Option.** Sell the whole Project to a third party. Under this option the Council would seek a third Party Solar Farm operator to take on the project. They would assume responsibility for the PPA agreement to provide electricity in return for a regular income. The JCT contract would be novated to the third party so that the project is delivered by them without the need for the Council to incur termination penalties. Novation would require the agreement of the JCT

contractor. Ideally the third party would cover the additional connection agreement costs to upgrade the sub-station.
The benefits to the Council are the project is still delivered, and the council would receive a long-term rent for the land, should it not be sold to the third party. It would release approximately £1.8m and avoids termination penalties.

5.9 **Option Five.** Continue with the Project, as is, and the Council cover the additional connection charge. This option would allow the project to continue as originally envisaged, but the Council would, additionally, fund the costs of the Sub-station upgrade. In return the Council would receive enhanced terms under the PPA. There is an agreement to increase the PPA from 15 years to 20 years and the income to the Council from £128 per MKW to £134. This option does not remove the need for large scale borrowing by the Council and increases the borrowing requirement from £2.1m to £2.256m.
Moreover, it does not meet the requirements set out in the Financial Sustainability and Recovery Strategy agreed by Cabinet in July 2026 and should be rejected.

6 Key risks and Opportunities

6.1 In respect of this report and the recommendations included, the key objective of Council is to recover its investment in Biodynamic Carbon Limited as quickly as possible and to agree a structured transfer of the Solar Farm Project to a third party. The recommendations for both projects are dependent on reaching acceptable asset transfer agreements.

Risk	Mitigation	Link to Strategic Risk
Council fails to agree an acceptable sale price for Biodynamic Carbon Limited with Carbon Hill.	Open negotiations with alternative entities who have expressed an interest in purchasing the Ludlow site and Councils 50% shareholding in Biodynamic Carbon Limited	Impact of financing Exceptional Financial Support (EFS).
Council fails to agree a sale with any party despite an extensive search using external advisors and having successfully completed all testing.	Council commences production at Ludlow with biochar sold to an organisation called RAFT Energy, through Biodynamic Carbon Limited. At the same time continue to seek a buyer for the site, plant and buildings at Ludlow.	Impact of financing Exceptional Financial Support (EFS).
Council becomes responsible for completing proving of the C1000 plant at Ludlow	Council would seek professional advice from manufacturing experts to reduce any risk to a minimum.	Impact of financing Exceptional Financial Support (EFS).
RAFT Energy draft contract fails to be signed, or offtake is significantly below forecast	Council strategy is to exit the market and sell its shareholding in Biodynamic Carbon Limited.	Impact of financing Exceptional Financial Support (EFS).

The Council may have to pay termination costs in the event that the Solar Farm project is cancelled (Option 1)	The Council would negotiate with supplier to minimise the level of termination costs.	Impact of financing Exceptional Financial Support (EFS).
The Council may not be able to find a buyer for the Solar Farm Project (Option 4)	The Council would engage market specialists and known contacts to identify target companies. Selling the project would minimise the financial exposure to the Council in terms of revenue impact and borrowing.	Impact of financing Exceptional Financial Support (EFS).
The Council may need to continue with the Solar Farm project and increase borrowing to do so (Option 5).	Contract termination would save the Council approximately £1.5m	Impact of financing Exceptional Financial Support (EFS).
Care must be taken not to delay any decision regarding the Solar Farm Project which might lead to a claim of breach of contract or Repudiation.	The Council should decide on the preferred option and delegate authority to s151 Officer and Monitoring Officer to negotiate the best outcome for the Council, with construction contractor.	Impacts financial sustainability

7 Council Priorities

7.1 **A Financially Sustainable Council**
This report and its recommendations comply with the Councils Financial Sustainability priority. The proposed sale of all the assets identified in this report are from non-core activity, and when completed, will return significant funds to the Council. Recommendations meet the objectives of Financial Sustainability and Recovery as set out in the Strategy agreed by Cabinet in July. Relevant points in that Strategy relate to the review of non-statutory and commercial activity, the minimisation of borrowing and the potential disposal of assets to reduce the Council's need to borrow under Exceptional Financial Support.

7.2 **An Environment That Supports Wellbeing**
This priority seeks to address climate and environmental priorities which is the key reason that the Pyrolysis and Solar Farm projects were initiated. The recommendations will ensure their continuation in a dedicated and singularly focused business.

7.3 **A Thriving Economy That Benefits Everyone**
This priority supports sustainable growth, productive skills investment and employment across Shropshire. These projects will seek to continue to make investment in the Oswestry, Ludlow and Welshpool economies.

8 Financial Implications

8.1 This report makes two key recommendations to enter into negotiations for; firstly, the disposal of the Council's interest in the Biodynamic Carbon Limited joint venture and secondly for the structured transfer of outstanding Council interests in the Maesbury Road Solar Panel site to a third party.

8.2 The preferred buyer for the Council's 50% equity stake in Biodynamic Carbon Limited is the Council's joint venture partner Carbon Hill Ltd who, under the joint venture agreement, are allowed first option on any disposal of the Council's interest. Carbon Hill Directors have indicated that they would wish to take this option, although this would be subject to Council receiving best consideration. Any such arrangement would also need to consider the future lease or sale of the Ludlow site.

8.3 Negotiations will proceed under recommendation 2.2 and remain subject to contract and further approval.

8.4 The outstanding balance of the secured loan Biodiversity Carbon Limited received from the Council, will need to be satisfied in full under existing terms of the loan agreement.

8.5 A completed transfer of the Solar Farm Project is intended to avoid further committed expenditure on the project, subject to the agreed terms, effective contractual release, transaction costs and retained liabilities. Subject to completion of the transfer, this resource would be released from the current capital programme, and the borrowing requirement of the Council would be relinquished.

8.6 The two proposals give different financial outcomes for the Council. Stepping aside from the Biodynamic Carbon Limited joint venture will allow for a capital receipt and a potential ongoing revenue stream from leasing of the site. This will allow for early recovering of at least some of the costs of investment in the biochar undertaking in Ludlow. The transfer of the Solar Farm would enable a release of the significant committed borrowing cost that would be required were the Council to proceed.

8.7 Subject to the successful conclusion of negotiations the estimated net impact of the recommended decisions will need to be included within the Medium Term Financial Plan to be reported to Cabinet in February.

9 Legal and HR implications

9.1 The present authority is limited to preparatory work and non-binding negotiations. Shropshire's constitutional requirements for officer authority, consultation, report clearance and recording of decisions apply. Final transaction approval is reserved to the further report; any matter outside Cabinet's powers must be referred to Council

9.2 Any disposal of land must comply with the Council's duty to secure the best consideration (section 123 of the Local Government Act 1972) and the requirements of the Subsidy Control Act 2022 and where applicable internal requirements in the Property Services Disposals Protocol and the Council's Financial and Contract Procedure Rules. Valuation and advice must address the separate shares, land and plant. Any required departure from the normal disposal process needs specific approval; none is granted by this report. Any disposal of assets other than land must meet the Council's wider obligation to protect the public purse.

9.3 The Council has entered into a number of legal agreements with respect to the Pyrolysis Project:

- Special Purpose Vehicle Joint Venture with Carbon Hill
- Loan Agreement and Debenture with Biodynamic Carbon signed in May 2024
- Postponement Deed with Biodynamic Carbon signed in June 2024
- Mortgage of Chattels agreed with Biodynamic Carbon in August 2024
- JCT Design and Build contract with Biodiversity Carbon

9.4 The Solar Farm Project has entered into two legal agreements:

- Private Power Agreement (PPA) between the Council and a nearby industrial manufacturer.
- JCT Design, Build and Operate Contract between the Council and a major construction company. Care must be taken in avoiding actions or inaction which could lead to a Repudiatory Breach or a Default against the JCT contract.

There are no HR implications for the Council.

10 Electoral Division Implications

10.1 The Solar Farm is located within the Oswestry South-East ward
10.2 The Pyrolysis site is within the Ludlow South ward

11 Health, Social (including "Child Friendly Shropshire") and Economic Implications

11.1 There are no implications for the Council.

12 Equality and Diversity Implications

12.1 The original Solar Farm report to Council on 15 July 2021 reported that an initial Equality and Social Inclusion Impact Assessment (ESIIA) has been completed, which concludes that there is potential generative positive health and wellbeing impacts from the generation of additional renewable energy.

13 Climate Change, Biodiversity and Environmental Implications

13.1 Shropshire Council declared a Climate emergency in 2019 and adopted a Climate Change Strategy and Action Plan in December 2020. Its stated ambition is for the Council to become carbon net-neutral by 2030, while supporting the wider country towards the same Goal. The strategy includes support for renewable energy and decarbonisation projects.

13.2 The solar farm project is expected to generate a total carbon savings of 7,320 tonnes over 30 years (244 tonnes per year) and will create infrastructure that will support a local business to decarbonise its energy supply, ensuring greater resilience and security of energy supply.

13.3 The project has an approved biodiversity net gain plan which will improve the biodiversity of the site through the introduction of bird and bat boxes and the improvement in floristic diversity of the remaining amenity grassland on the former landfill site.

13.4 The environmental benefits of biochar which enhances soil fertility, water retention, microbial activity, carbon sequestration, and overall agricultural productivity, will deliver greater environmental gains as production and sales will be through a singularly focused business.

13.5 The sale of the Ludlow facility and the Councils exit from Biodynamic Carbon Limited will guarantee the continuation of the manufacture and supply of biochar from pyrolysis, undertaken by a dedicated specialist business.

13.6 The actions proposed within this report allow for the continuation of both BDC and solar farm undertakings but relieves the Council of the underlying financial and commercial overheads associated with the businesses.risks.

14 Background Papers

1. Cabinet Paper Biochar from Pyrolysis Project 21 September 2023
2. Cabinet Paper Pyrolysis Second Site Increase in Budget 17 July 2025
3. Council 15 July 2021 – Maesbury Road Oswestry – Solar Power Generation Phase 1.
4. Council 13 January 2022 – Maesbury Road Oswestry – Solar Power Generation updated project.
5. Shropshire Council Climate Change Strategy and Action Plan – December 2020.

15 Appendices

APPENDIX A – GOVERNANCE RECOMMENDATIONS

APPENDIX B – BIODYNAMIC CARBON FINANCIAL PLAN 2025

APPENDIX C – BIODYNAMIC CARBON BALANCE SHEET AND MANAGEMENT ACCOUNTS TO OCTOBER 2026

APPENDIX A

Biodynamic Carbon Limited
Governance, Resource and Cost Recommendations

1. Undertake a comprehensive review of the governance framework, including Terms of Reference, delegated authorities, reporting structures and assurance arrangements, to ensure they reflect the current scale, complexity and commercial nature of the project. Outdated references to former postholders should be removed and replaced with role-based accountability.

2. Re-establish and enforce the agreed JV governance arrangements, including scheduled Board meetings, shareholder meetings, steering groups and financial review meetings.

3. To improve the Governance:

    - Appoint a formally designated SRO with overall accountability for the Pyrolysis Programme and associated JV arrangements.

    - Roles, responsibilities, reporting lines and decision-making authority for Council officers, company directors, consultants and delivery partners should be formally documented, approved and disseminated. Succession arrangements should also be established to ensure continuity during organisational change.

4. In relation to resources and costs:

    - Assess whether current staffing resources are sufficient to support the programme and introduce mechanisms to record and monitor officer time spent on pyrolysis project and JV activities. Consider whether dedicated project management and client-side resources are required given the project's scale and complexity.

    - Develop a complete understanding of the true cost of the programme by identifying and recording all associated staffing, consultancy, overhead and support costs. This should be incorporated into future business case reviews, investment decisions and value-for-money assessments.

5. A formal review should be undertaken of actual and perceived conflicts of interest arising from dual roles, with appropriate declarations, mitigations and monitoring arrangements implemented.

6. Introduce a formal reporting regime to Cabinet and relevant committees, ensuring Members receive regular updates on project performance, financial position, risks, delivery progress and strategic direction. Governance arrangements should clearly define Member oversight responsibilities.

7. Define and implement a consistent performance management framework covering operational performance, financial performance, delivery milestones, income generation and benefits realisation. Reporting requirements should be agreed with Biodynamic Carbon Limited and regularly reviewed by the Council,

APPENDIX B

Biodynamic Carbon Limited Financial Plan 2025

	2526	2627	2728	2829	2930	3031
BDC Expenses						
Loan 5 Years	£104,061.00	£119,867.00	£119,867.00	£119,867.00	£ 119,867.00	£ 15,374.00
Accounting	£ 12,000.00	£ 12,000.00	£ 12,000.00	£ 12,000.00	£ 12,000.00	£ 12,000.00
Insurance	£ 17,136.00	£ 17,564.40	£ 18,003.51	£ 18,453.60	£ 18,914.94	£ 19,387.81
Rent	£ 12,000.00	£ 12,300.00	£ 12,607.50	£ 12,922.69	£ 13,245.75	£ 13,576.90
LCA and Cula	£ 17,750.04	£ 18,193.79	£ 18,648.64	£ 19,114.85	£ 19,592.72	£ 20,082.54
Other Expenses	£ 24,000.00	£ 24,600.00	£ 25,215.00	£ 25,845.38	£ 26,491.51	£ 27,153.80
Xero	£ 230.40	£ 236.16	£ 242.06	£ 248.12	£ 254.32	£ 260.68
Feedstock	£184,320.00	£188,928.00	£193,651.20	£198,492.48	£ 203,454.79	£ 208,541.16
Total	£371,497.44	£393,689.35	£400,234.91	£406,944.11	£ 413,821.04	£ 316,376.89
BDC Income						
BioChar Made mt	480	480	480	480	480	480
Biochar Sold	£408,000.00	£408,000.00	£408,000.00	£408,000.00	£ 408,000.00	£ 408,000.00
Carbon Credits	£122,880.00	£153,600.00	£184,320.00	£184,320.00	£ 184,320.00	£ 184,320.00
Framework	£ 9,000.00	£ 44,934.00	£ -	£ -	£ -	£ -
Coder Road		£159,232.76	£173,951.08	£235,337.36	£ 241,220.79	£ 247,251.31
Total	£539,880.00	£765,766.76	£766,271.08	£827,657.36	£ 833,540.79	£ 839,571.31
BDC P&L						
Net Cash Flow	£168,382.56	£372,077.41	£366,036.17	£420,713.25	£ 419,719.75	£ 523,194.42
Corp Tax						
Net Cash Flow	£168,382.56	£372,077.41	£366,036.17	£420,713.25	£ 419,719.75	£ 523,194.42
SC Financing						
Borrowing 10 Years	£ 54,315.51	£ 62,565.97	£ 62,565.97	£ 62,565.97	£ 62,565.97	£ 62,565.97
SC Case Results						
Total Paid to SC	£104,061.00	£119,867.00	£119,867.00	£119,867.00	£ 119,867.00	£ 15,374.00
Net Cash Flow	£ 49,745.49	£ 57,301.03	£ 57,301.03	£ 57,301.03	£ 57,301.03	-£ 47,191.97
Potential Dividend	£ 84,191.28	£186,038.70	£183,018.08	£210,356.62	£ 209,859.88	£ 261,597.21

APPENDIX C
BIODYNAMIC CARBON LIMITED FINANCES

Profit and Loss
For the 7 months ended 31October 2026

Feedstock Trials	4,000.00
Sales-Biochar	43,275.27
Sales-Biochar Deliveries	10,748.30
Mixing Fee	2,300.00
Preparation Works	12,963.80
C1000Projects	15,592.50
Turnover	88,879.87
Cost of Sales	
Biochar Sales Expenses	9,922.08
Feedstock Purchase Expenses	37,333.89
Feedstock Costs	11,302.50
Cost of Goods Sold	11,694.38
Total Cost of Sales	70,252.85
Gross Profit	18,627.02
Administrative Costs	
Advertising & Marketing	18,259.93
Bank Fees	59.50
Certification Costs	6,552.03
Operational Costs	837.00
Rent	6,000.00
General Expenses	130.51
Consultants	24,603.64
General Expenses	778.50
Operational Costs	(13,943.00)
Preparation Works Costs	48,384.33
Consultants	5,833.33
General Expenses	4,211.38
Interest Paid	16,338.45
IT Software and Consumables	1,069.99
Motor Vehicle Expenses	171.90
Pensions Costs	561.25
Salaries	33,118.24
Staff Training	900.00

Travel-National	47.70
Total Administrative Costs	153,914.68
Profit/(Loss)on Ordinary Activities Before Taxation	(135,287.66)

BALANCE SHEET

Fixed Assets	
Tangible Assets	
Less Accumulated Depreciation on Plant and Machinery	(98,000.00)
Plant and Machinery	490,000.00
Tools & Equipment	1,370.00
Total Tangible Assets	393,370.00
Total Fixed Assets	393,370.00
Current Assets	
Cash at bank and in hand	
Barclays BDC	26,702.58
Total Cash at bank and in hand	26,702.58
Accounts Receivable	111,829.93
Prepayments	10,787.00
Total Current Assets	149,319.51
Creditors: amounts falling due within one year	
Accounts Payable	192,267.41
Accruals	3,000.00
NIC Payable	1,604.12
Other creditors	18,999.00
PAYE Payable	3,092.80
Pensions Payable	312.97
Rounding	(61.82)
VAT	(2,865.35)
Wages Payable-Payroll	0.33
Total Creditors: amounts falling due within one year	216,349.46
Net Current Assets(Liabilities)	(67,029.95)

Total Assets less Current Liabilities	326,340.05
Creditors: amounts falling due after more than one year	
Loan	375,655.45
Total Creditors: amounts falling due after more than one year	375,655.45
Net Assets	(49,315.40)
Capital and Reserves	
Capital-1000 Ordinary Shares	1,000.00
Current Year Earnings	(135,287.66)
Retained Earnings	84,972.26
Total Capital and Reserves	(49,315.40)