



# South Somerset District Council

Freedom of Information Act (2000) & Environmental Information Regulation (2004)

Information Request Reference Number: 608

## RESPONSE

You have asked South Somerset District Council for the following information:-

1. What financial support was provided by SSC in total?

**To date there has been a total of £14,516,705 lent by South Somerset District Council to SSDC Opium Power Ltd. The loans have been paid in instalments to reflect the project rollout relating to:**

**i) Phase 1 - the original 25 MW scheme - paid between May 2018 and February 2020**

**ii) the temporary VAT liability on the importation of the batteries as a result of the changing advice of HR Revenue and Customs (initial advice being no VAT liability to be paid and then changed to VAT to be paid on importation and then reclaimed) - paid in December 2018, repaid in the last financial year as agreed.**

**iii) Phase 2 - the additional 5 MW scheme agreed - paid between August 2019 and February 2020**

2. What income has been received so far, and how does this compare with expectations?

**The investment is now fully operational and earning income but as publicly reported, it is paid quarterly in arrears and therefore we cannot answer this question until National Grid completes and pays the first quarter at the end of the summer to SSDC OPL. This will be reported by the company to the council in due course.**

3. What is the current position in relation to interest and capital repayments?

**Of the £14,516,705 loaned, £1,351,650 has been repaid to date.**

**For completeness, SSDC continues to earn a commercial interest rate on the outstanding loan. Phase 1 of the Battery Energy Storage Scheme is operational and therefore earning income, however, repayment of the loan and accrued interest from the loan date is then paid in arrears when income flows are paid to SSDC OPL from National Grid.**

4. I understand that there are also queries over land registry and outstanding charges?

**These charges relate to a second, smaller Phase 2 of this site adding another 5 MW of energy storage capacity.**

**By extending the capacity, the land and chattels value increases and therefore, land charges in favour of SSDC have been registered against both Phases to protect the council's interests until all capital and interest is repaid.**

5. A loan was apparently made to pay for the VAT that had not been accounted for in the purchase of the batteries, when are we expecting repayment of this?

**Please see answer to question 1 on the rationale in relation to VAT. This loan was repaid in the last financial year, when the company received the VAT rebate. Confirming that the loan was only**



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in relation to HMRC changing advice, but it had to be paid to HMRC, in order for it then to be reclaimed the next quarter and therefore there was a short term loan required for cashflow during this period so that HMRC could process this in the usual way, which took several months to paid, claimed at the end of the following quarter, processed by HMRC and then rebated to the company. It was then immediately repaid to SSDC.

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