

Your Legal Questions

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Q I am a farmer and have been approached by a company which wants to put solar panels in one of my fields to take advantage of the Government's Feed In Tariff Scheme. They want me to enter into a contract and a lease. Is there anything I should look out for?

A Commercial operators are keen to take advantage of the guaranteed payments (linked to RPI) for electricity supplied to the National Grid for a period of 25 years. The best rates apply to schemes commissioned before April 2012 resulting in a rush by commercial operators to get land owners to sign up to agreements.

Things to consider are:-

- Exclusivity agreements lasting for more than 3 months
- The track record of the operator
- The likelihood of obtaining planning permission
- Can you instruct your own independent Solicitor and Surveyor to advise you and are their fees being paid to a reasonable level? Beware of operators who will only pay fees if you go to their chosen firms
- Does the operator have the right to extend the agreement?
- Is the land subject to a mortgage?

With regard to the lease consider:-

- What provision is there for rent review given the lease is likely to last for 25 years?
- What is the precise area of land to be leased?
- Does the operator have the right to break the lease?
- Can the operator renew the lease?
- Are there any restrictions on the use of your retained land?
- Is there an obligation on the operator to remove the equipment at the end of the lease?
- Is any tax payable or any tax relief affected?
- Is there any effect on Single Farm Payment?

There are many traps for the unwary and professional advice is essential.

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