

Environment and Green Investment Committee Minutes

Date: 12 October 2023

Time: 10:00 a.m. – 11:20 a.m.

Venue: New Shire Hall, Alconbury Weald

Present: Councillors Lorna Dupré (Chair), Nick Gay (Vice-Chair), Anna Bradnam, Steve Corney, Piers Coutts, Stephen Ferguson, Ian Gardener, John Gowing, Ros Hathorn, Catherine Rae and Mandy Smith

166. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Councillors Jonas King, Peter McDonald and Brian Milnes.

There were no declarations of interest.

167. Minutes – 7 September 2023

The minutes of the meeting held on 7 September 2023 were agreed as a correct record and signed by the Chair.

The Committee noted the Minutes Action Log.

168. Petitions and Public Questions

No public questions or petitions were received.

169. Innovate UK Net Zero Living Programme - Phase 2 Bid

The Committee received a report which presented the findings of the Phase 1 Cambridgeshire Net Zero Financing Framework for Whole System Change (CANFFUND) Feasibility Study, and which outlined a £4.9m Phase 2 Demonstrator bid to Innovate UK's Net Zero Living Programme, although since publication of the report the Council had been informed that the bid had been unsuccessful. Notwithstanding, the Council was also included in a £330k Demonstrator bid submitted by Peterborough City Council, which had been shortlisted for the interview stage of the bid process since publication of the report. A third bid for a £150k Pathfinder project building on one aspect of the Phase 1 study had also been submitted, and confirmation on whether it had been successful was expected in early November 2023.

While discussing the report, Members:

- Highlighted the value in retrofitting whole streets and reducing the impact on the surrounding community. Members noted examples in other parts of the country where different companies had worked together to carry out separate works at the same time, although it was acknowledged that such coordination was often difficult. It was also suggested that companies could be encouraged to install ducting that would be able to contain potential retrofitting infrastructure in the future, although members acknowledged that there was still a relatively low level of demand or household incentive for low-carbon technologies.
- Expressed concern that homeowners and businesses were less likely to invest in low-carbon technology without further legislation from the government, with some members arguing that the reduction of national Net Zero ambitions exacerbated the lack of incentive. However, it was also suggested that the latent demand for solar panels and heat pumps demonstrated wider support for sustainable measures that went beyond targets or requirements.
- Acknowledged the higher complexity in retrofitting rural communities due to the lack of facilitating infrastructure and lower population density, although members were assured that work was ongoing to build investor confidence in the necessary type of business model. It was highlighted that the Swaffham Prior Community Heat Network project sought to overcome such issues, while the unsuccessful Phase 2 Demonstrator bid to the Innovate UK Net Zero Living Programme had also aimed to consider an average return across all projects to avoid just undertaking high-performing measures.

It was resolved unanimously to:

- a) Note the findings of the Phase 1 CANFFUND Feasibility Study and the scope of a Phase 2 Innovate UK Net Zero Living Programme, CANFFUND Demonstrator Funding Bid of £4.9m, as set out in section 2 of this report;
- b) Note the additional Cambridgeshire bid applications for a £150k pathfinder project building on one aspect of the Phase 1 study and the inclusion in Peterborough City Council's Innovate UK Demonstrator bid proposal for £330k;
- c) Delegate authority to the Executive Director of Place and Sustainability, in consultation with the Chair and Vice-Chair of the Environment and Green Investment Committee, to enter into grant agreements with Innovate UK, and to enter into agreements with partners, if the bids are successful, for any of the Demonstrator, Pathfinder or Peterborough bids; and
- d) Delegate authority to the Executive Director of Place and Sustainability, in consultation with the Chair and Vice-Chair of the Environment and Green Investment Committee, to undertake any associated procurement, awarding and executing of contracts that would be required for the delivery of the programmes covered by these bids.

170. Progress Report on the Council's Climate Change and Environment Strategy Target

The Committee received a report on progress towards implementing the Council's Climate Change and Environment Strategy action plan and targets, which used a tracking methodology that considered the action plan as a risk register, rather than the more traditional red, amber and green (RAG) measures. Using the metrics set out in Section 3 of the report, the overall level of risk had improved from initial ratings of 25 to around 20, which was considered significant progress although only a small part of a long process towards 2045.

While discussing the report, Members:

- Welcomed the use of the new methodology and the findings that it had produced, although it was suggested that clear explanatory information should always accompany the data to ensure it was not misunderstood as a failure to mitigate what appeared to be currently high levels of risk.
- Drew attention to the reputational damage that the Council had suffered following issues with Solar Together, and queried whether the vetting process for companies had subsequently been improved and how the risk of such a situation reoccurring was considered as part of the methodology. It was clarified that the methodology considered broader factors than specific projects, although individual elements were taken into account when calculating risk levels. While risk may be increased by a project not being undertaken, it could also increase if a project was not successful, and balancing the severity of such scenarios informed the process. Members were also informed that the Council was a member of the Association of Directors of Environment, Economy, Planning and Transport (ADEPT), and that the challenges experienced in Cambridgeshire had been shared with other local authorities on Solar Together, and discussions were underway on how to prevent such issues arising again in the future.
- Suggested that it could be beneficial for the Council to recommend trusted providers to residents and businesses for installation or maintenance of low-carbon technologies, such as heat pumps and solar panels. Attention was drawn to the significant supply chain challenge for retrofitting, with around 90% of providers being small and medium-sized enterprises that struggled to respond to the high level of customer interaction that large schemes required.

It was resolved unanimously to:

Review the progress, key challenges and residual risk in the delivery of the Council's Climate Change and Environment Strategy.

171. Finance Monitoring Report – August 2023

The Committee received the Finance Monitoring Report to the end of August 2023 for the services within its remit, with a reduced forecast revenue overspend of £2.641m across the Place and Sustainability directorate and a £28m variation on the directorate's capital programme. The report also proposed a recommendation to the Strategy, Resources and Performance Committee for an additional £3.2m capital allocation for connecting homes to the Swaffham Prior Community Heat Network in an equitable way, via an additional loan from the Public Works Loan Board (PWLB) that would be repaid through income generated from the scheme.

While discussing the report, Members:

- Queried how many residents would need to be connected to the Swaffham Prior Community Heat Network for the project to be considered worthwhile. Members were informed that the business case had been built on 150 homes, but the expectation would be to get 90% of homes connected overtime. It was noted that it had not been possible to accurately predict which houses would seek to connect to the network during the initial stages, but with the increase in certainty, it was now possible to make savings in cost and time by connecting in batches by street.
- Sought clarification on the coupon price for the PWLB loan application, and on whether the application complied with current PWLB requirements. Members were assured that the application complied with requirements, although it was acknowledged that additional and increased costs over the duration of the project had created a challenge to the business case. It was agreed to provide members with a briefing note on the coupon price of the loan application. **Action required**
- Suggested that it would be beneficial for planners and developers to be encouraged to deliver heat networks as an element of the construction stage of new developments. This would eliminate much of the complexity associated with retrofitting and the need to persuade people to switch. However, the scale of retrofits that needed to take place inevitably meant this could only be applied to new builds. Members were informed of proposed legislation that was being developed, which would identify where heat networks could be installed so that they could be a part of the planning process in the future.
- Highlighted the importance of ensuring a property was adequately insulated before undergoing retrofitting, drawing attention to particular difficulties in historic villages. Members were informed that support for energy efficiency measures in such villages had been sought from the government to mitigate issues related to fuel poverty and the increased cost of living, as well as to promote and support decarbonisation.
- Suggested that it would be beneficial for future reports to also include considerations of carbon costs alongside financial considerations, for example when considering the benefits and negatives of either transferring and incinerating waste or sending it to landfill.
- Drew attention to the importance of engaging with local residents on the impact of works in their area, to identify any issues that could be resolved and also to

strengthen relationships and encourage behavioural change. Members were assured that learning was taken from previous experiences, including on the engagement with and informing of communities, in order to continuously improve processes.

- Requested further information on the delay to the project energisation date for the North Angle Solar Farm, which had been extended from July 2023 due to the extension of ongoing discussions with landowners. It was clarified that construction was hoped to start in early 2024 on the private wire to connect the solar farm to the grid supply, which would allow for the export of electricity and power purchase agreements to be put in place.

It was resolved unanimously to:

- a) Note the current position regarding the budget performance for the Place and Sustainability directorate with regards the functions that are within the scope of the Committee; and
- b) Recommend to the Strategy, Resources and Performance Committee to approve an additional £3.2m capital allocation for connecting homes to the Swaffham Prior Community Heat Network, funded by prudential borrowing.

172. Corporate Performance Report (Quarter 1 – 2023-24)

The Committee received a report providing an update on the performance of services within its remit over Quarter 1 of the 2023/24 financial year.

While discussing the report, Members:

- Considered the impact of Huntingdonshire District Council's (HDC) decision to implement a charge for its garden waste removal service on key performance indicator (KPI) 150b (Cambridgeshire recycling, reuse, composting and recovery rate), given the reduced recycling rate in Fenland as a result of a similar charge. Members also expressed concern that additional waste could be put into household waste bins, which would result in higher levels of waste being taken to landfill and a higher cost for the Council as the waste disposal authority. Members were informed that officers had been consulted by HDC on the potential impacts of the charge, subject to varying levels of take-up, and mitigation measures to be put in place to retain a higher recycling rate. HDC had also been informed that the Council would seek some financial compensation if the subsequent business change request to the Department for Environment, Food and Rural Affairs (DEFRA) affected future Waste PFI grant payments. Such issues would remain unclear, however, until the impacts of the scheme's implementation on residents' behaviour could be evidenced, alongside DEFRA's decision on the business case change request. It was acknowledged that Huntingdonshire had a significantly higher recycling rate than Fenland, and that HDC was seeking to influence behavioural change through education and engagement, to reduce the amount of waste collected, and subsequently the carbon and financial costs.

- Drew attention to the influencing factor of the Waterbeach Mechanical Biological Treatment Facility on KPI 48 (Municipal waste landfilled) and KPI 150a (Cambridgeshire recycling, reuse, composting and recovery rate), and suggested that it would be beneficial for the additional carbon cost to be reported progressively, rather than only at the end of the year. Members were informed that work was being carried out on how carbon assessments could sit alongside financial modelling.
- Observed a general dip in the recycling, reuse, composting and recovery rate from May 2022 onwards, with one member suggesting it could have been related to charges for garden waste removal, while others suggested it was related to the hot weather conditions at the time.

It was resolved unanimously to:

Note the contents of the report.

173. Environment and Green Investment Committee Agenda Plan and Appointments

The Committee was informed that the Executive Director of Place and Sustainability had approved, in consultation with the Chair and Vice-Chair of the Committee, the following appointments to outside bodies:

- (i) Councillor Ferguson as the Council's representative on the Greensand Country Landscape Partnership; and
- (ii) Council Bradnam as one of the Council's representatives on the Local Access Forum.

The Committee noted its agenda plan.

Chair
30 November 2023