ENVIRONMENT AND GREEN INVESTMENT COMMITTEE

Cambridgeshire County Council

Thursday, 18 April 2024

Democratic and Members' Services
Emma Duncan
Service Director: Legal and Governance

10:00

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

Red Kite Room
New Shire Hall, Alconbury Weald, Huntingdon, PE28 4YE

AGENDA

Open to Public and Press

CONSTITUTIONAL MATTERS

1.	**Apologies for absence and declarations of interest** *Guidance on declaring interests is available at* *http://tinyurl.com/ccc-conduct-code*	
2.	**Minutes of the Committee meeting held 14 March 2024 and Action Log**	**3 - 14**
3.	**Petitions and Public Questions**	

KEY DECISION

4.	**Heat Pumps for Friday Bridge**	**15 - 32**
5.	**Environment & Green Investment Committee Agenda Plan and Appointments to Outside Bodies**	**33 - 36**

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The Environment and Green Investment Committee comprises the following members:

Councillor Lorna Dupre (Chair) Councillor Nick Gay (Vice-Chair) Councillor Anna Bradnam Councillor Steve Corney Councillor Steve Count Councillor Piers Coutts Councillor Stephen Ferguson Councillor Ian Gardener Councillor John Gowing Councillor Ros Hathorn Councillor Peter McDonald Councillor Catherine Rae Councillor Mandy Smith Councillor Steve Tierney and Councillor Andrew Wood

Clerk Name:	Nick Mills
Clerk Telephone:	01223 699763
Clerk Email:	nicholas.mills@cambridgeshire.gov.uk

Environment and Green Investment Committee Minutes

Date: 14 March 2024

Time: 10:00 a.m. – 12:15 p.m.

Venue: New Shire Hall, Alconbury Weald

Present: Councillors Lorna Dupré (Chair), Nick Gay (Vice-Chair), Anna Bradnam, Steve Corney, Steve Count, Piers Coutts, Stephen Ferguson, Ian Gardener, Mark Goldsack, Ros Hathorn, Brian Milnes, Catherine Rae, Mandy Smith and Steve Tierney

184. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Councillor John Gowing (substituted by Councillor Goldsack).

There were no declarations of interest.

185. Minutes – 18 January 2024

The minutes of the meeting held on 18 January 2024 were agreed as a correct record and signed by the Chair.

While discussing the Minutes Action Log, Members were informed that a briefing note relating to minute number 180 (Business and Financial Plan 2024-2029) would be circulated in the next few weeks. The action for minute number 182 (Corporate Performance Report (Quarter 2- 2023-24)) had been completed, with a breakdown of individual rates now included for Performance Indicator 150a in the Corporate Performance Reports for the committee.

Members requested a timeline for the development of the Draft Interim Corporate Tree and Woodland Strategy, in relation to minute number 98 (Draft Interim Corporate Tree and Woodland Strategy), noting that a commitment to arrange a workshop had been made in October 2022. **Action required**

The Committee noted the Minutes Action Log.

186. Petitions and Public Questions

No public questions or petitions were received.

187. Low Carbon Heating Programme For Council Buildings

The Committee received a report that provided an update on the Council's low carbon heating programme, which aimed to reduce carbon emissions from its buildings. The report proposed proceeding with the next phase of the programme and for responsibility for the procurement and contracting for the required works to be delegated to the Executive Director of Place and Sustainability.

While discussing the report, individual Members:

- Welcomed the ongoing work to improve the energy efficiency of the Council's buildings, and the awarding of £3.4m from the government's Public Sector Decarbonisation Scheme. Attention was drawn to the importance of encouraging and supporting smaller local authorities, such as parish councils, to understand the potential for retrofitting buildings via a gradual and more financially achievable approach.

- Clarified that one of the investment criteria for building upgrades through the Decarbonisation Fund required there to be no plans for disposal within the next five years, with the Council's Property team having reviewed the final list of proposed buildings. One Member also suggested that it was more beneficial to replace certain buildings than to retrofit them, and it was confirmed that all the measures in the programme were expected to last for the duration of the twenty-year payback period anticipated for the total portfolio investment.

- Queried whether the use of reversible natural ventilation heat recovery units had been considered by the Council, and it was agreed to provide Members with a written response. **Action required**

- Requested that future updates include more detailed information on the buildings' locations across the county, rather than just their names. It was also suggested that it would be useful to be provided with the carbon cost per unit, given that different measures had different costs, although it was acknowledged that this had been considered during the development of the business case. The value had been calculated for the whole portfolio, rather than individual projects, using standard values for carbon emissions and savings published by the government.

- Queried how 137% of the March Library forecast capital cost was grant funded, as set out in Appendix 1 to the report. Members were informed that a grant had been received for a group of seven specific sites, and while the funding could not be spent on other projects, there had been no specification on how much was to be spent for each of the seven projects.

It was resolved by majority to:

a) Agree to proceed with the projects, as set out in section 3.5 of this report; and

b) Delegate authority to the Executive Director of Finance and Resources, in consultation with the Chair and Vice-Chair of the Environment and Green Investment Committee to enter into grant agreements, and to award and execute the required contracts for the provision of design, consultancy services and construction services for the delivery of the programme.

188. Cambridgeshire's Policy and Protocol for Enforcement Action under the Land Drainage Act 1991

The Committee received a report that presented the revised Policy and Protocol for Enforcement Action under the Land Drainage Act 1991, which set out the criteria for enforcement intervention and the principles of regulation and enforcement, and which would replace the current Flood Risk Enforcement Policy that was adopted in March 2013.

While discussing the report, individual Members:

- Queried whether district councils had been consulted in the drafting of the document. Members were assured that the Council liaised regularly with the district councils and that they were aware of the document, and it was confirmed that it had been presented at a recent quarterly meeting of the Cambridgeshire and Peterborough Flood and Water Management Partnership.

- Queried whether the Council had sufficient resources to fulfil what was set out in the document, particularly regarding any works at the end of the process. Members were informed that there was currently capacity to carry out inspection and maintenance, but if works were required at the end of the process, it would probably be contracted externally through existing frameworks.

- Highlighted the importance of engaging with landowners and developers to remind them of their responsibilities and ensure they appropriately delegate riparian responsibilities when dealing with the transfer of land parcels and the sale of plots. It was suggested that the Council could engage with solicitors and conveyancers to ensure purchasers were made aware and to emphasise that the Council would carry out enforcement if such responsibilities were not followed. Members were informed that the Council engaged landowners and developers at the pre-application stage, although as this was not a statutory requirement it did not always happen. It was also a new potential objection point in the planning process. Efforts were being made through the Law Society to engage with conveyancers and it was agreed to check if there were any further updates from the Law Society on this matter to enable an update to be provided to Members. **Action required**

- Noted that a grant scheme had previously been in place for riparian right owners to apply to for funds to carry out maintenance work, and it was suggested that the provision of a ditch being handed over by the developer in a good condition could be added as a planning condition for new developments by the districts, and it was agreed to investigate the suggestion of this planning point and also feed back on the allocation and success of the grant scheme. **Action required**

- Drew attention to work that had been successfully undertaken to prevent flooding in many parts of the county, including mapping of drains, as well as work that had been undertaken by the Lead Local Flood Authority team to help areas that had experienced flooding.

- Sought clarification on the legal powers that the Council had for enforcement with persistent offenders. Members were informed that the policy and protocol had been written with input from Pathfinder Legal Services to ensure that it was legally robust. However, as it had not yet been tried it was difficult to say how successful it would be and officers acknowledged that the Land Drainage Act 1991 was limited in this regard. It was noted that such action was not generally carried out by other authorities, so officers did not have examples of any wider success rates. The policy had sought to make informal efforts as strong and as effective as possible.

- Queried whether the policy would allow the Council to take action against people raising their land adjacent to a brook to prevent it flooding their land, or against people removing clay pits, which acted as flood reservoirs, for development purposes. It was confirmed that the policy only applied to blockages or structures within the channel of the watercourse in line with the legislation and did not apply to anything on the side of the banks or clay pits.

- Clarified that the policy only applied to ordinary watercourses and therefore did not apply to EA rivers or Internal Drainage Board (IDB) drains.

- Argued that the Council would fail to comply with its own policy if it did not properly unblock culverts that then led to flooding issues. Members were assured that blockages were cleared when they were brought to our attention, and that the Council required landowners to unblock them if it was their responsibility.

- Expressed concern that there was not more information in the policy about risk prevention, the processes that would be undertaken or internal controls, suggesting that it was too focused on enforcement, although it was acknowledged that the document was part of a wider set of water management policies.

- Argued that the Council should not wait so long to review and update the policy the next time as it had since the current version was adopted in 2013.

It was resolved unanimously to:

> Adopt the Policy and Protocol for Enforcement Action under the Land Drainage Act 1991, attached at Appendix 1 of this report.

189. East Park Energy Solar Farm Proposal

The Committee received a report which provided an overview of the East Park Energy Solar Farm Development Consent Order application. It set out the background and geographical areas of the proposal, as well as the Nationally Significant Infrastructure Projects (NSIP) process and its accompanying risks and implications for the Council.

While discussing the report, individual Members:

- Noted that affected parish councils had already initiated dialogue with the developer, and sought clarification on when the statutory consultation would commence. It was

confirmed that the formal statutory consultation was scheduled to commence in July 2024, although it was emphasised that parish councils could become involved in the pre-application stage to help shape proposals earlier in the process.

- Observed similarities with the Sunnica Energy Farm, and highlighted the importance of taking lessons from issues that had arisen during that project's development, and it was suggested that the Council should do everything it could, as a statutory consultee, to ensure a smooth and efficient flow of information. Members were informed that the Council had already communicated with the developer to help shape the consultation process.

- Expressed concern about the general NSIP process, arguing that it was not conducive to encouraging local input or understanding. It was requested that local Members be kept fully informed by the Council as the process continued, and it was agreed to organise a briefing session for local Members, although open to all Members, once the developer submitted a proposed consultation document. **Action required**

- Sought clarification on whether the developer had considered the significant delays that were possible when establishing the final wire connection. Members were assured that such factors would have been considered as part of the proposals' development, but it was agreed to seek clarification from the developer. **Action required**

- Drew attention to the issue of some battery storage systems not effectively flowing back into the grid and solar energy subsequently being lost, and queried whether such issues could arise with East Park Energy Solar Farm. It was clarified that due to its size the project would connect through the transmission network, rather than the distribution network, and that issues with transferring or storing energy were usually related to problems with a particular connection, such as over-capacity or over-subscription. It was agreed to raise the issue with the developer and provide Members with a briefing note. **Action required**

It was resolved unanimously to:

a) Delegate authority to the Executive Director for Place and Sustainability to submit Nationally Significant Infrastructure Project related responses to the Planning Inspectorate, in consultation with the Chair and Vice-Chair of the Environment and Green Investment Committee, where there is not enough time for a report to be delivered to the Environment and Green Investment Committee; and

b) Where delegated powers are used, circulate the response to Local Members and members of the Environment and Green Investment Committee for information.

190. Place and Sustainability Risk Register

The Committee received a report on the approach adopted by the Place and Sustainability Directorate with regards to the management of risk within its services, which included details of relevant risks for the Committee and their links to the Corporate Risk Register.

While discussing the report, individual Members:

- Drew attention to the way in which the Council's Green Investment and Utilities Group presented and managed risk, and suggested that its approach could be adopted more widely across the Council.

- Requested further information on the new requirements around the Schedule 3 Sustainable Drainage System (SuDS) Approval Body (SAB) role, as detailed in Risk 6 of the report. Members were informed that further information was awaited from the government, including the level of funding that would be provided, and it was agreed to provide Members with a briefing note providing more information, followed by a workshop once greater clarity had been provided by the government. **Action required**

- Expressed concern about the high number of risks rated as red, with one Member arguing that the Committee should demand more urgent action to mitigate or overcome the risks, including through additional resources being allocated as reserve contingencies and more regular update reports. It was noted that some of the causes for the risks were longstanding or external, and Members were assured that there was active management of all risks at a senior officer level, with assurance plans in place to lower them, while the Committee would continue to receive updates to ensure transparency and accountability. The development of the risk register supported this and demonstrated the Council's commitment to identify issues and make improvements.

- Suggested that Risk 5, related to the project delivery of the directorate's capital programme, should be rated as red rather than amber, due to significant project overruns and overspends. It was acknowledged as necessary for assurance to be provided that projects were managed effectively, and Members were informed that processes were continuously improved based on learning from individual projects, including the development of clear gateway reviews and detailed profiling, to ensure that projects only went ahead if there was certainty on their deliverability, cost and ability to achieve their outcomes. Schemes would only be included in the capital programme if such assurances had been provided

It was resolved unanimously to:

> Note the summary of the key risks being overseen by the Place and Sustainability Directorate that relate to this Committee.

191. Corporate Performance Report (Quarter 3 - 2023-24)

The Committee received a report providing an update on the performance of services within its remit over Quarter 3 of the 2023/24 financial year.

While discussing the report, individual Members:

- Suggested that the Council could investigate making savings and achieving carbon reductions by targeting energy use in its buildings with low occupancies, through measures such as reactive lighting or heating only certain areas of the buildings.

- Considered whether the Connecting Cambridgeshire scheme continued to be practical or whether technology had now evolved to a stage where alternative, cheaper types of connections could be considered. Members were informed that the current measures were aligned to the Combined Authority's Digital Strategy and the funding arrangement for the programme, although it was noted that a revised strategy was being developed, which would consider different technologies and monitoring measures.

- Requested information on the level of gainshare funding that had been received through the Connecting Cambridgeshire scheme and how it was being used, although it was acknowledged that any funding would go back into the overall financing of the scheme, rather than being available for reallocation elsewhere. **Action required**

It was resolved unanimously to:

Note and comment on performance information and act, as necessary.

192. Finance Monitoring Report – January 2024

The Committee received the Finance Monitoring Report to the end of January 2024 for the services within its remit, with a reduced forecast revenue overspend of £1.759m across the Place and Sustainability directorate and a £24.5m variation on the directorate's capital programme, with an additional £4.2m in-year slippage now being forecast. The report also proposed a recommendation to the Strategy, Resources and Performance Committee for an additional £1.8m capital allocation to the North Angle Solar Farm project, funded by borrowing.

It was resolved unanimously to:

a) Review and comment on the report; and

b) Recommend to the Strategy, Resources and Performance Committee that an additional capital budget of £1.8m is allocated to the North Angle Solar Farm project, funded by borrowing.

193. Environment and Green Investment Committee Agenda Plan and Appointments

The Committee noted its agenda plan.

Chair
18 April 2024

Environment and Green Investment Committee - Minutes Action Log

This is the updated action log as at 10th April 2024 and it captures the actions arising from recent Environment and Green Investment Committee meetings and updates Members on the progress on compliance in delivering the necessary actions.

Minutes of the Committee Meeting Held on 13 October 2022					
Minute No.	Agenda Item	Officer(s)	Action	Comments	Status
98.	Draft Interim Corporate Tree and Woodland Strategy	P Clark	Arrange workshop for Committee members to input into development of the final strategy next year.	A workshop will be organised shortly. **14/03/24 update** - Members requested a timeline for the development of the Draft Interim Corporate Tree and Woodland Strategy, noting that a commitment to arrange a workshop had been made in October 2022. **10/04/2024 update** – A timeline has been circulated on 10/04/2024, which includes the commitment for a workshop to be delivered in early June 2024, to ensure that the baseline mapping has been completed first to inform this.	Complete

Minutes of the Committee Meetings Held on 18 January 2024					
Minute No.	Agenda Item	Officer(s)	Action	Comments	Status
180.	Business and Financial Plan 2024-2029	S French	Provide Members with a briefing note on documents recently published by Ofgem and the Department for Energy Security and Net Zero about speeding up grid connections to the distribution and transmission networks.	Update circulated to Members 5th April 2024.	Complete
181.	Annual Carbon Footprint Report 2022-23	S Wilkinson	Provide Members with a briefing note on whether the Council had considered using methane produced by landfill as a source of hydrogen for fuel.	Awaiting update	Ongoing
182.	Corporate Performance Report (Quarter 2- 2023-24)	F Jordan	Provide Members with a breakdown of the individual recycling, reuse, composting and recovery rates, demonstrated as a combined rate in Performance Indicator 150b.	Members were shown the breakdown of the individual recycling, reuse, composting and recovery rates in Performance Indicator 150a as part of the Corporate Performance Report presented at the March committee.	Complete

Minutes of the Committee Meetings Held on 14 March 2024					
Minute No.	Agenda Item	Officer(s)	Action	Comments	Status
187.	Low Carbon Heating Programme for Council buildings	Chris Ramsbottom	Provide a written response on the use of reversible natural heat recovery units		
188.	Cambridgeshire's Policy and Protocol for Enforcement Action under the Land Drainage Act 1991	Hilary Tandy	Check if there were any further updates from the Law Society on engaging conveyancers and provide an update to be provided to Members.	**08/04/2024 update -** Contact has been made with the Law Society and the issue has been passed to their Conveyancing and Land Law Committee sub-group for consideration.	Ongoing
188.	Cambridgeshire's Policy and Protocol for Enforcement Action under the Land Drainage Act 1991	Hilary Tandy	Agreed to investigate the suggestion of adding a planning point of a ditch being handed over by the developer in a good condition, and also feed back on the allocation and success of the grant scheme.	**09/04/2024 update** – Contact has been made with one planning authority initially to consider how ditch handover can be conditioned (or similar). Discussions are ongoing. Grant allocation briefing note has been prepared and issued on 09/04/2024.	Ongoing
189.	East Park Energy Solar Farm Proposal	Jenny Croft	Agreed to organise a briefing session for local Members, although open to all Members, once the developer submitted a proposed consultation document.	**08/04/2024 update** – Awaiting update from the developer to allow this briefing session to be organised.	Ongoing
189.	East Park Energy Solar Farm Proposal	Jenny Croft	Officers agreed to seek clarification on whether the developer had considered the significant delays that were possible when	**08/04/2024 update** – The Developer has been contacted and a meeting has been arranged to request this response.	Ongoing

			establishing the final wire connection.		
189.	East Park Energy Solar Farm Proposal	Jenny Croft	Raise with developer issue of battery storage systems not effectively flowing back into the grid. and provide a Member briefing note.	**08/04/2024 update** – The Developer has been contacted about the battery storage system and implications with grid capacity and a meeting has been arranged to request this response.	Ongoing
189.	East Park Energy Solar Farm Proposal	Sheryl French	Provide a Member briefing note on the difference between the transmission network and distribution network, and the issues with transferring or storing energy.	Awaiting update	Ongoing
190.	Place and Sustainability Risk Register	Hilary Tandy	Provide Members with a briefing note on the Schedule 3 SuDS Approval Body (SAB) role, followed by a workshop once greater clarity had been provided by the government.	**08/04/2024 update** – A briefing note on the Schedule 3 SuDS Approval Body (SAB) role was circulated on 08/04/2024. A workshop will be arranged once further clarity has been provided by the Government.	Ongoing
191.	Corporate Performance Report (Quarter 3 - 2023-24)	Ceren Clulow	Requested information on the level of gainshare funding that had been received through the Connecting Cambridgeshire scheme and how it was being used.	**09/04/24 update** – A payment of £10,011,495.44 received from Openreach in March 2023 as gainshare clawback. After £1.8m deduction which was borrowed for the Phase 4 superfast broadband contract, 32% of the remaining income is due to be returned back to treasury. From the remaining amount, 13% is being transferred to PCC for its investment in SFBB project, leaving **£4,857,921** to go back to CCC to the original prudential borrowing as agreed previously.	Complete

Heat Pumps for Friday Bridge

To:	Environment & Green Investment
Meeting Date:	18 April 2024
From:	Executive Director Place & Sustainability
Electoral division(s):	March North & Waldersey
Key decision:	Yes
Forward Plan ref:	2024/012
Executive Summary:	This report provides findings from Phase 2a of the Heat Pumps for Friday Bridge project. The Committee is asked to consider whether to agree to proceed to installation of heat pumps.
Recommendation:	The Committee is recommended to:

a) Agree that the Heat Pumps for Friday Bridge project should proceed to installation works for the limited number of properties that have signed up for the scheme. This could be either:

i. Continuing as Phase 2b of the Heat Pump Ready programme, if DESNZ permit this

ii. Using Boiler Upgrade Scheme funding as outlined in Section 3.2

b) Agree that the Heat Pumps for Friday Bridge Consortium includes a private finance offer for residents wishing to proceed with a heat pump installation and requiring finance to do so and that residents be encouraged to compare this with other sources of borrowing (see section 3.3).

Officer contact:
Name: Chris Parkin
Post: Community Energy Manager
Email: christopher.parkin@cambridgeshire.gov.uk

1. Creating a greener, fairer and more caring Cambridgeshire

1.1 This report relates to *Ambition 1: Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes*.

1.2 Decarbonisation of domestic heating is essential to meet the Council's Ambition of achieving Net Zero by 2045. Heat pumps are the key technology to achieve decarbonisation of space heating, with Air Source Heat Pumps (ASHP) being the most affordable and widely applicable type of heat pump for domestic use.

2. Background

2.1 Cambridgeshire's 2022-23 Annual Carbon Footprint identifies homes as producing 14% of the county's greenhouse gas emissions. Heat pumps are the key technology to decarbonise domestic heating, with Air Source Heat Pumps (ASHP) being the most affordable option. However, installing ASHPs is a far less straightforward process for consumers, and capital costs are higher, than a like for like boiler replacement.

2.2 The Government's 2021 Heat and Buildings Strategy identified that "*to meet Net Zero virtually all heat in buildings will need to be decarbonised*" and that "*in all future heat scenarios, 600,000 … heat pump installations per year is the minimum market size that will be required by 2028 to be on track to deliver Net Zero.*". Current deployment rates are far short of this at 22,616 installations between May 2022 and February 2024[1].

2.3 The complexity of the customer journey and finding trusted contractors are significant barriers to heat pump installation. Many homeowners are uncertain whether a heat pump would be suitable for their property. A survey is required to assess the following: property peak heat loss; capacity of radiators or underfloor heating; and pipework suitability. Multiple contractors could be required for survey, design, heat pump installation, radiator replacement, insulation upgrades and solar PV installation (to partly offset increased electricity demand). The installer base is much more limited than for gas boilers and, with many media reports of poor-quality installations, homeowners are nervous about finding an installer they can trust. The Government's 'Heat Pump Ready' Programme aims to develop innovative ways to support domestic heat pump deployment including by improving the customer journey.

2.4 A consortium led by City Science and including Cambridgeshire County Council and Fenland District Council, has secured two rounds of Department of Energy Security and Net Zero (DESNZ) Heat Pump Ready Funding. Heat Pump Ready is part of DESNZ's innovation programme. It aims to develop knowledge and understanding about tackling non-financial barriers to heat pumps installation at scale within an area.

2.5 £197K "Phase 1" funding was used to develop an "integrated stakeholder model" to support greater uptake of heat pumps through a place-based approach. Phase 1 included resident focus groups and door to door engagement in Friday Bridge. Over three quarters of residents surveyed wanted a government approved installer, ideally a local supplier who could also support servicing and maintenance. Research by Citizen's Advice[2] also concluded that there were multiple challenges to home energy improvement, across the

[1] Ofgem BUS Monthly Scheme Update

[2] Home Truths – The challenge and experience of making home energy improvements. Citizens Advice, March 2021.

different stages of the customer journey. In particular they found it was difficult for citizens to pick reputable installers and too many fall victim to rogue installers.

2.6 The £1.8m Phase 2 funding is to develop the Heat Pumps for Friday Bridge project to the trial and evaluate stage which will enable a One-Stop-Shop for retrofit domestic heat pump installations and affordable finance models.

2.7 In July 2023 the Committee agreed the procurement of contractor(s) for surveys and installation design. The Committee also agreed to review the outcomes of customer recruitment, surveys and installation proposals to decide whether to proceed further with the project. The report seeks approval to proceed to the next stage of installing ASHPs in Friday Bridge resident's homes under a Council supported scheme and to offer residents external financing under the scheme.

2.8 Contracts for installation works will be between the appointed contractor (Macbrook Gas) and the resident. Costs of installation will be met by a combination of £7,500 Government grant per installation and the resident's capital contribution. There will be no costs to the Council, however the Council's name is attached to the scheme and there are therefore reputational risks in the event of significant issues with installations.

3. Main Issues

3.1 Phase 2a Objectives & Conclusions

3.1.1 Phase 2a of the project aimed to set-up a One-Stop-Shop for heat pump installation including a website through which residents would be able to:

- Seek an initial assessment of their property's feasibility for an ASHP;
- Request a "whole house" survey and proposal for ASHP installation plus supporting measures e.g. solar PV, insulation, battery storage;
- Receive quotation documents from a contractor procured and vetted by the Council;
- Apply for affordable loan finance;
- Benefit from ASHP bulk purchase pricing;
- Book installation of an ASHP and supporting measures;
- Receive handover documents.

3.1.2 The design of the One Stop Shop and the hyper-local marketing approach within Friday Bridge aligns with the Behavioural Insights Team's EAST framework3 for promoting change (which suggests mechanisms for encouraging behaviour change should be Easy, Attractive, Social and Timely):

- **E**asy: The One Stop Shop aims to make installing a heat pump easier for residents by providing a single point of contact for obtaining property suitability assessments, booking surveys, receiving survey reports and recommendations and booking installations. The contractor appointed can deliver heat pumps, insulation upgrades and solar PV, avoiding the need to engage with multiple contractors. Installation of all measures on a typical property will take a single week.

[3] Four Simple Ways to Apply EAST Framework to Behavioural Insights. Behavioural Insights Team

- **A**ttractive: The One Stop Shop offer led with a free, no obligation, whole house retrofit survey, worth more than £500. All marketing is using the established Cambridgeshire Action on Energy branding.
- **S**ocial: Hyper-local marketing and community engagement events were designed to create a community "buzz" around the heat pump installation opportunity, with resident sharing of experience promoting further uptake.
- **T**imely: The whole house survey report will provide residents information on the immediate (and mid-term) energy bill impacts. The project is also being delivered at a time when grant funding for heat pumps has just increased to £7,500 per property.

3.1.3 Phase 2a aimed to complete customer recruitment and home surveys by the end of January 2024 (originally November 2023). Since July 2023, DESNZ's target uptake level has reduced from 25% to 15% of properties on one or more low voltage substation network. Installation designs, quotations and reporting back to DESNZ were to follow shortly after the conclusion of surveys.

3.1.4 The website (https://fb.actiononenergycambs.org/) has been established, the contractor for surveys and installation design has been appointed. A launch event with the community took place on 8th August and was attended by 40 residents. Four mailshots have been sent to households in the target postcodes, including raising awareness of the £5,000 to £7,500 increase in Government grant and flagging the end date for the free whole house assessment offer. Peterborough Environment City Trust (PECT, the community engagement consortium partner) have made 647 door knocks in Friday Bridge and held 100 doorstep conversations with residents. 14 whole house assessment surveys have been completed with the following key outcomes.

- Properties were suitable for ASHP installation in all except two cases (both commercial properties and ineligible for grant).
- The following additional measures were proposed:
  - Hot water cylinder, larger radiators and re-piping (all properties);
  - Mean capital cost before grant (ASHP, Hot Water cylinder, radiators & pipework) £15,020;
  - Top-up loft insulation (2 out of 12 properties);
  - Solid wall insulation (1 out of 12 properties);
  - Solar PV (10 out of 12 of properties);
  - Annual bill impact (£65 to £271 bill increase)

3.1.5 The mean ASHP installation capital cost is very similar to the average cost of £14,800 in 2021 from the Electrification of Heat study. Allowing for inflation the above cost appears good value.

3.1.6 The project split Friday Bridge into four areas, defined by the electricity substations that supply them. Information on the project and the availability of free home surveys has been provided to all properties in these areas. Within the smallest area, surveys have been requested on 13% of properties, just short of the revised 15% target. On the larger areas surveys have only been requested on 5-10% of properties. Surveys will still need to be converted into expressions of interest for installation works.

3.1.7 Even if all surveys are converted into expressions of interest for installation the project has not achieved the 15% uptake threshold set by DESNZ. Although this may seem like a failure, the percentages are well above the Boiler Upgrade Scheme application rate in the

East of England (since the scheme was launched in May 2022) which is currently 0.15% of households.

3.2 Proceeding Outside of Heat Pump Ready With Boiler Upgrade Scheme Funding

3.2.1 Quotations issued to residents have been issued under the Council's call-off contract with the contractor. Even though DESNZ's 15% threshold has not been met, ASHP installation quotations could still be kept open for residents to accept using Boiler Upgrade Scheme funding rather than Heat Pump Ready funding. Both schemes offer residents a £7,500 grant towards installation costs. In the case of the Boiler Upgrade Scheme the installer manages the grant claim process.

3.2.2 Under this option the scheme would still be a Council supported scheme, with some reputational risk e.g. in the event of a resident being dissatisfied with their installation. This is discussed in more detail in section 6.3. There would be no central Government funding for administrative costs in running the scheme e.g. maintaining the website for installation bookings and handovers, monitoring installation work, assessing operational performance, managing any customer complaints. These costs would instead be absorbed by the consortium members.

3.3 Finance Offer

3.3.1 Ongoing resident engagement in Phase 2a has shown the upfront cost of heat pumps remains a key barrier. The Lendology model discussed in the July Committee continues to be a credible finance offering for the longer term; however, deploying this model within the project time limit is not possible. This is because the Lendology approach requires the total capital cost to be known and raised in advance via a bond offer. Once bonds are issued the Council would be tied in to interest payments to bond holders. The uncertainty over resident uptake at the project outset and the project timescales dictated by DESNZ did not allow for this finance offer to be utilised.

3.3.2 As an alternative, City Science have accredited the project with Hiber Finance (which involved gaining FCA authorisation) to provide their financing products to consumers. Hiber are FCA authorised and are making the following two loan offers available:

i) 12-month interest free loan with no deposit. Equal monthly repayments are spread over 12 months. For an average installation cost after grant funding, this would equate to £627 per month for 12 months;

ii) 3-year loan at 6.9% interest. Equal monthly repayments are spread over 36 months. For an average installation cost after grant funding, this would equate to £231 per month. The loan is subsidised by the heat pump manufacturer (Daikin), without which the interest rate would be 12.9%. Residents are under no obligation to take up the loan offer and are free to take out alternative finance or fund the balance of costs (after the £7,500 grant) from savings.

3.3.3 Currently no residents have expressed an interest in the loan offers, but homeowners have only just received their home survey reports and quotations. Offering finance is part of the One Stop Shop approach, providing residents the option of applying for finance via the same platform as they request surveys, design, installation and receive handover documents in order to streamline and simplify the whole process. It is the consortium's preference to keep the finance offer available should it be required, as removing the option could prohibit an installation. The finance offer is 100% private finance, there is no financial

risk to the Council, although there remains a risk to residents if they are unable to afford repayments.

3.3.4 It will be made clear to residents that they should compare this finance option with alternative offers that may be available to them. The above interest rate is very competitive with commercially available home improvement loan offers. However, extending a mortgage may provide access to lower cost borrowing. Several mortgage providers offer existing customers specific borrowing rates for renewable energy/energy efficiency upgrades e.g. Nationwide and Santander, interest rates vary from 0 to 5.95%. Barclays offer existing mortgage customers £2,000 cash towards a heat pump installation. The majority of 3-year home improvement loans at present are in the 7-11% interest rate, one provider offers a 5.8% rate.

4. Alternative Options Considered

4.1 The following alternative options have been considered:

(a) Suspend the Heat Pumps for Friday Bridge project. Under this option the Council would not benefit from learning from Phase 2b on installation, grid reinforcement, customer relations management, operational experience and loss of potential case studies on ASHP installations. There may be criticism from residents that have expressed an interest in ASHP installation, either because they do not feel confident in going ahead with an ASHP installation outside of the project, are unable to access finance to do so or because they do not have the added assurance of Council oversight of the scheme. This option would also carry risk of reinforcing negative opinions about the viability of ASHP installation. This option has been discarded, as continued Council oversight of the project reduces risk for residents, is likely to result in more ASHP installations in line with Net Zero ambitions, is likely to generate some learning and avoids reinforcing negative views on ASHP viability;

(b) Signpost residents to commercial heat pump offerings instead of continuing with the Heat Pumps for Friday Bridge project. As above the Council would not benefit from Phase 2b learning. Risk to the Council from any potential installation issues would be reduced as we would have no relationship with commercial offerings. Some commercial offerings may offer residents lower capital cost of installation. There is anecdotal evidence that Octopus Energy's Get A Heat Pump scheme is offering installation at very low cost, although this would not include a solar PV. However, the Council would not be able to promote specific commercial offerings and would have no opportunity to review proposals or installation work. Any offering accessing Boiler Upgrade Scheme funding will have to ensure that loft or cavity wall insulation recommendations on an Energy Performance Certificate have been addressed. Commercial offerings would not necessarily include a whole house energy efficiency assessment. Provided that an MCS accredited installer is used commercial offerings would, however, include a heat loss assessment to ensure thermal comfort. This option is not recommended, as continued Council oversight of the project reduces risk for residents, is likely to result in more ASHP installations in line with Net Zero ambitions and is likely to generate some useful learning for the Council.

5. Conclusion and reasons for recommendations

5.1 The 15% resident uptake required by DESNZ for Phase 2b of the Heat Pump Ready

programme has not been achieved. This is likely to be due to the high capital cost of installation and many residents preferring to stick with their existing boilers where these still have life left in them. Nevertheless, a small number of residents may be interested in proceeding to install heat pumps. If DESNZ relax the 15% uptake threshold it is proposed that we should proceed to installation under the Heat Pump Ready programme, as this provides some additional funding for administrative support and external performance monitoring. However, if DESNZ do not relax the 15% threshold the proposal is to allow the contractor to proceed with installations, where requested by residents, using Boiler Upgrade Scheme funding. The Boiler Upgrade Scheme provides an identical level of grant as would have been available under Heat Pump Ready Phase 2b. Maintaining the contractor proposals allows residents to benefit from the reassurance that the contractor has been through a Council procurement process and has been suitably vetted.

5.2 Hiber/Daikin private finance should be made available as part of the One Stop Shop approach, but residents will be encouraged to compare this with alternative offers including borrowing from their mortgage provider and make their own decision about how best to finance the balance of installation costs.

6. Significant Implications

6.1 Finance Implications

- No significant costs to the Council are expected. Grant funding covered the setup of the One-Stop-Shop and the cost of surveys and installation design have been covered by City Science and grant funding.
- Council staff costs to date have been covered by grant funding. Staff costs to manage the contractor during installation works would have to be met by CCC, but, in view of the small number of properties involved, staff time required is not expected to be more than four hours per month.
- Phase 2b installation costs will be met by a combination of Boiler Upgrade Scheme grant funding and resident contributions (some of which may require private finance arrangements).

6.2 Legal Implications

- All building works will need to comply with Building Regulations, Health and Safety legislation and permitted development rights for domestic heat pump installation.
- The installation contractor will be responsible for ensuring compliance with Building Regulations and Health and Safety legislation. Rooftop solar PV and air source heat pump installations are covered by permitted development rights under Schedule 2 Part 14 Class A and Class G respectively of the Town and Country Planning (General Permitted Development (England) Order 2015. Planning consent is only required in exceptional cases and would be the responsibility of the homeowner to obtain. The terms of the Framework require the contractor to make the homeowner aware that planning consent, if required, is their responsibility. Installations for all 12 properties currently surveyed are viable within permitted development rights.

6.3 Risk Implications

- The installation contractor has been procured on a call-off basis and any contracts for installation work will be between the contractor and resident. The contractor is, however, contractually required to fully comply with the terms of the Framework.
- Reputational risk to the Council in the event of installation problems, delays or operational under-performances is managed by the following:
    - The appointed contractor is Trustmark, Microgeneration Certification Scheme and Publicly Available Specification 2030/2035 accredited to ensure they are fully qualified for the installation work.
    - Installations are subject to a 12 months workmanship warranty.
    - We will closely manage the call-off contract to ensure the contractor complies with the requirements of the contract and the Framework under which it was procured.
    - City Science, the consortium lead, will provide quality assurance on installation work.
    - Heat pumps will be sourced from a reputable supplier (Daikin).
- Residual risk is as low as it can be and lower than it would be for installations procured outside of the project.
- If we do not proceed to Phase 2b there is also a reputational risk of criticism from residents that were keen to proceed to installation. However, they could still install independently, using Boiler Upgrade Scheme grant funding and the same contractor, if they were not reliant on accessing finance via the One Stop Shop to fund this. The Council withdrawing from the scheme could be perceived as undermining confidence in heat pump technology.
- Heat pumps are a different proposition from gas boilers. The installations are all low temperature heat pumps. These heat a space by supplying heat at a lower temperature over a longer period than a gas boiler would. Radiator temperatures will be noticeably less hot than residents are used to. There is a risk that residents may perceive these differences as faults. We will review the content of the contractor's proposals and draft supplementary Council briefing to make residents aware of these differences, and possibly ask residents to sign the briefing to confirm they have understood, as a means of managing this risk. Briefing will also provide residents information on the contractual commitment that they are entering into with the installer.
- A risk register is attached as Appendix A

6.4 Equality and Diversity Implications

- Friday Bridge is within the third decile on the Indices of Multiple Deprivation i.e. it is within the top 30% most deprived areas in England, but not within the top 20%. The project could therefore impact on socio-economic inequalities.
- Heat Pumps for Friday Bridge will make heat pumps more affordable to install. Heat pump running costs can be higher or lower than a gas boiler depending on the property and relative prices of gas and electricity. Residents have been provided with projected

energy bill impacts in the heat pump installation proposals and are under no obligation to accept proposals. Average bill impact from survey results is a £65 to £271 increase at current energy prices. This is made clear in the survey reports. Residents are only likely to proceed with installations where they value the carbon savings benefit and have taken a view that the increase in energy bills is affordable. Contractors are prohibited under the Framework from hard-selling proposals.

- If the Government's proposed rebalancing on gas and electricity prices takes place, this is likely to make heat pumps cheaper to run than gas boilers for most properties.
- An EqIA e-form has been completed and is attached as Appendix B.

6.5 Climate Change and Environment Implications (Key decisions only)

- Heat pumps are an energy efficient, low carbon source of heating. Because they supply, on average, 2.8 units of heat per unit of electricity they use, they are 68% less carbon intensive than gas boilers, even at current electricity grid carbon intensity. They will become even lower carbon as the grid is further decarbonised. Insulation upgrades proposed alongside heat pumps will also deliver (smaller) carbon savings.
- Installation work will give rise to waste from boilers and radiators removed and packaging from new equipment installed. The contractors will collect and recycle waste as far as possible to minimise impacts.
- In principle replacement of fossil fuel boilers with heat pumps has a small impact in reducing emissions of air pollutants, in particular NOx. However, residential, commercial & public sector combustion is a small contributor to NOx emissions nationally (12%)[4] and 70% of NOx at NO_2 exceedance locations originates from road transport[5]. Air quality benefit is therefore negligible.

7. Source Documents

1. https://www.ofgem.gov.uk/publications/bus-monthly-scheme-update
2. https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/FINAL_%20Home%20Truths.pdf
3. Four Simple Ways to Apply EAST Framework to Behavioural Insights | The Behavioural Insights Team (bi.team)
4. https://uk-air.defra.gov.uk/assets/documents/reports/cat09/2210251052_DA_Air_Pollutant_Inventories_2005-2020_FINAL_v1.2.pdf (see Appendix F1)
5. Emissions of air pollutants in the UK – Nitrogen oxides (NOx) - GOV.UK (www.gov.uk)
6. https://es.catapult.org.uk/project/electrification-of-heat-demonstration/

[4] Air Pollutant Inventories 2005-2020. DEFRA
[5] Emissions of Air Pollutants in the UK – Nitrogen Oxides (NOx). DEFRA

RISK TABLES

1. Assessing the Likehood Factor
Choose a description that best fits the likelihood of the project or its stakeholders actually incurring (experiencing) the selected impact, assuming reasonable effectiveness of the existing and tested preventative controls.

Factor	Uncertainty Description	Frequency *How often might it / does it happen*	Will it happen or not over the risk timescale
1	**Very Low**	Is very unlikely to occur in normal circumstances	Less than 5% chance
2	**Low**	Is unlikely to occur in normal circumstances	Around 10% chance
3	**Moderate**	Likely to occur in some circumstances or at some time	Around 25% chance
4	**High**	Is likely to occur at some time in normal circumstances	Around 60% chance
5	**Very High**	Will or almost certainly occur in normal circumstances	Around 90% chance

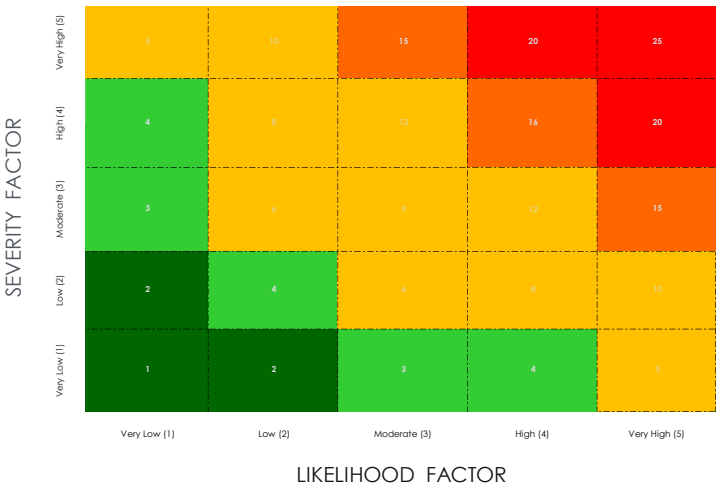
2. Assessing the Severity Factor
Considering the event being analysed, choose a description that best fits the expected degree of gain, harm, injury or loss from the most severe impact associated with that event, assuming reasonable effectiveness of existing and tested Mitigating Controls. Where there is more than one impact type possible, look across the table and choose the highest level and corresponding Severity Factor.

Level	IMPACTS TYPES								Level
	General	Health & Safety	Environment	Time / Programme	Legal	Reputation	Quality / Performance	Financial	
1	Very unlikely to threaten overall project outcome in any meaningful way. Inconsequential and non-permanent damages.	Unreportable, negligible harm.	Unreportable, negligible harm.	Immeasurable impact to programme	Infringes on legal duties but not to an extent where dutyholder liable	Immeasurable impact to reputation	Immeasurable impact on quality	Immeasurable cost impact	Negligible
2	Unlikely to threaten overall project outcome. Minor and non-permanent damages	Reportable incident, near miss or minor injury with no lost work time.	Requires minor clean up and/or change in working method	1-2 weeks delay to programme completion	Dutyholder liable for minor legal breach, though with minor consequence	Marginal / temporary reputational impact that can be readily overcome.	Requires minor corrective action, though unlikely to have a material impact on overall goals	£1K< £10K	Minor
3	May impact overall project. Can cause permanent damages in some cases and cost of rectification in others	Reportable incident, injury or illness resulting in lost work time (RIDDOR).	Reportable incident, significant clean up / change in working method	2-4 weeks delay to programme completion	Material breach of legal duties, potential financial penalty and enforced correction	Wider reputational impact, requires moderate intervention to overcome	Requires significant corrective action, likely to affect overall goals if not corrected	£10K < £250K	Moderate
4	Can cause significant impact to overall project, or result in complete termination. Will cause permanent and irreparable damages	Life changing / long-term injuries or illness	Long-term damage, requires major clean up and cessation of work	4-8 weeks delay to programme completion	Negligence, impact to business continuity, prosecution with major financial penalty, contract termination	Long-standing public / multistakeholder reputational impact, requires major intervention to overcome over long-term	Likely to affect overall goals, unlikely to be corrected.	£251K < £1.5M	Major
5	Will cause significant impact to overall project, or result in complete termination. Will cause permanent and irreparable damages	Fatality	Environmental disaster, permanent and unrecoverable impact to multiple receptors	Several months delay to programme completion	Criminal / corporate gross negligence, custodial sentences, severe impact to business continuity, contract termination	Permanent public / multistakeholder reputational impact, severely affecting business continuity	Failure to meet overall goals. Project cessation.	> £1.5M	Catastrophic

RISK MATRIX

When the probability and impact scores have been assigned to each of the risks, they can be plotted on a risk map to have an overview of the overall CCC's risk profile.

RISK RATING = SEVERITY FACTOR X LIKELIHOOD FACTOR



1 - 2	Very Low
3 - 4	Low
5 - 14	Moderate
15 - 19	High
20 - 25	Very High

PROPOSAL - PROCEED TO INSTALLATION & FINANCE OFFER

					Pre-Control Risk Level				Post-Control Risk Level		
No.	Category	Risk Description	Causes / Triggers	Impacts	Likelihoo	Severity	Risk Lev	Control Measure	Likelihoo	Severity	Risk Leve
1	**Installation**	**Customer property is damaged during installation**	1. Improper installation methods 2. Negligent / poor quality workmanship	1. Reputational, customers complaints	2	3	6	1. Appoint contractor with relevant accreditations for energy efficiency and renewable energy installation e.g. MCS, PAS 2030/2035 & Trustmark 2. Contractor to survey all properties, identify and account for risks. 3. Contractor to set out proposed installation and positioning of equipment in their designs shared with customer and ensure customer is in full agreement. 4. Contractor required to have Contractor's All Risks insurance for full reinstatement value. 5. Retrofit Co-ordinator will conduct a post installation inspection of all properties	1	3	3
2	**Installation**	**Disturbance and disruption caused by installation**	1. Temporary loss of heating and hot water 2. Need to clear spaces e.g. in lofts, around radiators and pipework 3. Inconsiderate parking of contractor vehicles	1. Reputation and relationship with customers 2. Complaints	5	3	15	1. Contractor to set out proposals in home survey report and explain to customers requirements for clearing spaces and likely duration of heating & hot water outages 2. Schedule installations for outside of heating season 3. Contractor to minimise number of vehicles used and instruct operatives to park considerately	3	2	6
3	**HEALTH & SAFETY**	**Injury during installation**	1. Insufficient safe systems of work in place on site / insufficient risk management practices 2. Incompetent workers	1. Reputational damage 2. Injury	3	5	15	1. Contractor required to have and maintain a Health & Safety policy 2. Appoint suitably qualified and accredited contractor 3. Contractor to ensure effective H&S controls, policies and procedures are in place on site. 4. Contractor is required to provide 24/7 emergency support 5. Council has a right to terminate in the event of H&S breaches	1	5	5
4	**COMMISSIONING**	**No heat or hot water**	1. Poor coordination and execution of commissioning 2. Failure of equipment	1. Reputation and relationship with customers 2. Loss of heat for customers	3	3	9	1. Appoint contractor with relevant accreditations for heat pump installation & commissioning i.e. MCS 2. Procure heat pumps from reputable supplier (Daikin) 3. Contractor to be Daikin trained 4. Heat pump supplier has local (St Ives) supply depot for spares	1	2	2
5	**SECURITY**	**Theft or vandalism of materials during installation**	1. Insufficient security during works	1. Reputational impact 2. Delays to installation	2	2	4	1. Contractor to secure all loose equipment and materials during installation works 2. Contractor required to have Contractor's All Risks insurance	1	2	2
6	**LEGAL ISSUES**	**Installation breaches planning requirements**	1. Installation design fails to meet permitted development requirements for solar or heat pumps 2. Resident fails to apply for planning consent if required	1. Reputational impact 2. Installation delay	2	2	4	1. Appoint contractor with relevant knowledge and experience of heat pump and solar installation 2. Contractor to design installations to comply with permitted development requirements 3. If permitted developmnet requirements cannot be met contractor to make resident aware of their obligation to seek planning consent 4. Resident advice on planning and permitted development has been made available on Action on Energy website	1	2	2
7	**QUALITY**	**Installation works fails to achieve expected quality**	1. Poor workmanship 2. Substandard materials	1. Reputational impact	2	3	6	1. Appoint contractor with relevant accreditations for energy efficiency and renewable energy installation e.g. MCS, PAS 2030/2035 & Trustmark 2. Contractor to survey all properties to inform design 3. Contractor to set out proposed installation and positioning of equipment in their designs shared with customer and ensure customer is in full agreement. 4. Contractor required to have Contractor's All Risks insurance for full reinstatement value. 5. Heat pumps to come from repuatble supplier 6. Contractor to be trained by heat pump supplier 7. Retrofit Co-ordinator will conduct a post installation inspection of all properties	2	3	6
8	**TIME/PROGRAMME**	**Installation work is delayed relative to promised dates**	1. Contractor under-resourced 2. Equipment suppliers unable to provide equipment	1. Installation delays 2. Reputational damage	3	3	9	1. Assess contractor resourcing as part of tendering 2. Use of equipment with local supply capacity 3. Contractor to provide weekly updates to consortium on installation dates	2	1	2
9	**H&S**	**Legionella outbreak**	1. Inadequate hot water system temperatures 2. Inadequate water quality/hygiene	1. Reputational damage 2. Adverse health impacts	2	3	6	1. Appoint contractor with relevant accreditations for heat pump and hot water installation e.g. MCS, PAS 2030/2035 & Trustmark 2. Contractor to implement legionella control strategy on all installations 3. All installations will involve full pipework replacement and refilling 4. Contractor required to have Contractor's All Risks insurance for full reinstatement value. 5. Retrofit Co-ordinator will conduct a post installation inspection of all properties	1	3	3
10	**PERFORMANCE**	**Energy savings not delivered in operation**	1. Heat loss not assessed 2. Heat emitters or heat pumps not correctly specified 3. Controls not optinised		3	2	6	1. Appoint contractor with relevant accreditations for heat pump installation and domestic retrofit e.g MCS & PAS 2030/2035 2. Full survey, PAS whole house assessment, MCS heat loss assessment, RdSAP and heat pump supplier design calculations to be completed 3. Retrofit Co-ordinator will conduct a post installation inspection of all properties 4. Consortium to monitor post installation performance	2	2	4
11	**ENVIRONMENT**	**Heat pumps cause a noise nuisance in operation**	1. Heat pump too close to neighbours or sound reflective barrier 2. Noisy units specified		3	2	6	1. Appoint contractor with relevant accreditations for heat pump installation i.e. MCS 2. Contractor to conduct MCS noise assessment and comply with MCS-020 standard 3. Retrofit Co-ordinator will conduct a post installation inspection of all properties	1	2	2

SUSPEND PROJECT

No.	Category	Risk Description	Causes / Triggers	Impacts	Pre-Control Risk Level			Control Measure	Post-Control Risk Level		
					Likeliho	Severity	Risk Lev		Likelihoo	Severity	Risk Leve
1	REPUTATION	Criticism from residents who wished to proceed with installation	Council withdrawal from scheme	1. Reputational damage	3	3	9	1. Agree lines with Comms, including noting that residents can take forward proposals and have heat pumps installed under the Boiler Upgrade Scheme in the absence of Council involvement	3	2	6
2	REPUTATION	Council withdrawal reinforces negative attitudes to heat pumps	Council withdrawal from scheme	1. Reputational damage 2. Increases challenge of achieving Council's Net Zero ambition	2	3	6	1. Agree lines with Comms with positive messaging about heat pumps and focussing decision to withdraw on limited uptake and limited additionality from Council involvement	1	3	3
3	ENVIRONMENT	Negative impact on heat pump deployment	Council withdrawal from scheme	1. Increases challenge of achieving Council's Net Zero ambition	2	3	6	1. Continue Comms activity to support heat pumps for decarbonising heating e.g. through Action on Energy website and Council's Domestic Energy Efficiency Guidance document	2	3	6
4	GENERAL	Loss of learning from installation phase	Council withdrawal from scheme		5	2	10	1. Request consortium share lessons if they continue without the Council 2. Review literature to continue to develop knowledge of experience in domestic ASHP installation	3	2	6

SIGNPOST RESIDENTS TO COMMERCIAL OFFERINGS

					Pre-Control Risk Level				Post-Control Risk Level		
No.	Category	Risk Description	Causes / Triggers	Impacts	Likeliho	Severity	Risk Lev	Control Measure	Likelihoo	Severity	Risk Leve
1	REPUTATION	**Criticism from residents who wished to proceed with installation under A Council backed scheme**	Council withdrawal from scheme	1. Reputational damage	3	3	9	1. Agree lines with Comms, including directing residents to a range of commercial offerings	3	2	6
2	REPUTATION	**Council withdrawal reinforces negative attitudes to heat pumps**	Council withdrawal from scheme	1. Reputational damage 2. Increases challenge of achieving Council's Net Zero ambition	2	3	6	1. Agree lines with Comms with positive messaging about heat pumps and focussing decision to withdraw on limited uptake and limited additionality from Council involvement	1	3	3
3	ENVIRONMENT	**Negative impact on heat pump deployment**	Council withdrawal from scheme	1. Increases challenge of achieving Council's Net Zero ambition	2	3	6	1. Continue Comms activity to support heat pumps for decarbonising heating e.g. through Action on Energy website and Council's Domestic Energy Efficiency Guidance document	2	3	6
4	GENERAL	**Loss of learning from installation phase**	Council withdrawal from scheme	1. Council has less knowledges to utilise in supporting further steps to roll out heat pumps	5	2	10	1. Request consortium share lessons if they continue without the Council 2. Review literature to continue to develop knowledge of experience in domestic ASHP installation	3	2	6
5	GENERAL	**Increased burden on residents seeking installations**	Council withdrawal from scheme	1. Need to engage with separate suppliers for insulation and solar PV 2. Need to check suppliers have appropriate accreditations and financial standing	5	2	10	1. Guidance on Council and Action on Energy website directs residents to seek MCS accredited installers 2. Action on Energy website provides residents access to 5 insulation installers vetted by City Council and Cambridgeshire Energy Retrofit Partnership (of which we are a member)	5	1	5
6	GENERAL	**Residents fall victim to rogue installers**	Council withdrawal from scheme	1. Reputational damage to Council 2. Financial loss to residents 3. Negative impact on residents well being	3	2	6	1. Guidance on Council and Action on Energy website directs residents to seek MCS accredited installers	2	2	4

EQUALITY IMPACT ASSESSMENT - CCC600732388

Which service and directorate are you submitting this for (this may not be your service and directorate):

Directorate	Service	Team
Place and Sustainability	Climate and Energy Services	Climate and Energy Staffing Budgets

Your name: Chris Parkin

Your job title: Community Energy Manager

Your directorate, service and team:

Directorate	Service	Team
Place and Sustainability	Climate and Energy Services	Climate and Energy Staffing Budgets

Your phone: 01223715909

Your email: christopher.parkin@cambridgeshire.gov.uk

Proposal being assessed: Heat Pumps for Friday Bridge

Business plan proposal number: Cambridgeshire County Council

Key service delivery objectives and outcomes: To meet the Council's 2045 Net Zero Carbon target for the county, heating in all homes needs to be decarbonised. Heat pumps are the key low carbon technology to deliver this. However, heat pumps are not a direct drop in replacement for boilers. They require assessment of the compatibility of the existing central heating system and frequently require replacement of radiators and installation of new hot water cylinders. They are also more costly to install than a conventional boiler. Heat pumps have the potential to reduce heating costs, but this is dependent upon the specifics of the property and relative pricing of gas v electricity. At current energy prices, for an average property, heating costs are marginally higher than gas heating costs. Government has announced that it will start to rebalance electricity v gas costs from the end of 2024 to make heat pumps cheaper to run. A new, Council-backed, One Stop Shop for domestic heat pump installation where residents can seek: online feasibility assessment; free surveys; installation design and quotations; book installation; and receive handover documents is being trialled. The initial customer-recruitment, survey and quotation phase of the trial has been completed. The proposal is now to proceed to installing heat pumps at residents properties. Where residents want finance to supplement the £7,500 Government grant towards installation costs they will be offered low cost loans (12 months interest free or 36 equal monthly instalments at 6.9% interest) subsidised by the heat pump manufacturer (without this subsidy 12.9% interest would be charged) towards the capital cost of heat pump installation. Up to 12 properties are expected to be installed under the trial so it may be that uptake of the finance offer is low or zero.

What is the proposal: The proposal is to move to the next phase of the One Stop Shop trial which will be to install heat pumps and supporting measures in the homes of (up to 12 expected)

residents. The installer is a Council-appointed contractor, who has been financially vetted and is accredited to all relevant Government and industry standards for this work, in order to give residents confidence. Residents will benefit from a £7,500 Government grant towards installation costs. Where residents want to take out finance a 12 month interest free or 36 month interest bearing loan will be made available via the heat pump manufacturer. The affordable finance element aims to make the cost of installation less of a barrier. The trial area is Friday Bridge in Fenland.

What information did you use to assess who would be affected by this proposal?: The results of the customer recruitment phase of the One Stop Shop trial which have recruited up to 12 residents at present.

Are there any gaps in the information you used to assess who would be affected by this proposal?: No

Does the proposal cover: All service users/customers/service provision in specific areas/for specific categories of user

Which particular employee groups/service user groups will be affected by this proposal?: No employee groups are affected. Only residents in Friday Bridge who have requested a heat pump installation under the scheme are affected. The proposal has given them access to free surveys, installation designs and quotations for heat pump installation and other supporting measures (the survey and installation design work would normally cost residents around £500) e.g. insulation upgrades, solar PV etc to the relevant industry standard. Residents will have access to £7.5k grant towards installation costs. Heat pumps will also be supplied at bulk discount and cost savings passed on to residents. The loan offer is subsidised by the manufacturer of the heat pumps to provide residents better value. The project has been authorised by the FCA to offer loans via Hiber Finance and Daikin (the heat pump manufacturer). The majority of the Friday Bridge trial area is within the third decile for Indices of Multiple Deprivation i.e. within the 30% most deprived areas in England (but not within the 20% most deprived). However, given that the home survey reports provided to residents indicate that energy bills will increase slightly after heat pump installation and installation will require either a resident capital contribution or taking up the loan offer, it is likely that only environmentally motivated residents who can afford to incur additional costs will proceed.

Does the proposal relate to the equality objectives set by the Council's EDI Strategy?: Yes

Will people with particular protected characteristics or people experiencing socio-economic inequalities be over/under represented in affected groups: Under represented

Does the proposal relate to services that have been identified as being important to people with particular protected characteristics/who are experiencing socio-economic inequalities?: No

Does the proposal relate to an area with known inequalities?: Yes

What is the significance of the impact on affected persons?: The One Stop Shop makes heat pumps more accessible to residents by: simplifying the customer journey; providing free surveys and installation design; providing access to a qualified, trusted installer; potentially providing access to low cost loans if there is a demand. The results of home surveys indicate that heat pump installations are likely to marginally increase energy bills at current energy prices. This is clearly indicated in the survey reports provided to residents. It is therefore unlikely that residents

experiencing socio-economic inequalities are likely to proceed with an installation. If Government delivers on its commitment to rebalance gas and electricity costs, heat pump installations are likely to reduce energy bills in the majority of cases.

Category of the work being planned: Project

Is it foreseeable that people from any protected characteristic group(s) or people experiencing socio-economic inequalities will be impacted by the implementation of this proposal (including during the change management process)?: Yes

Please select: Socio-economic inequalities

Research, data and /or statistical evidence: Indices of Deprivation 2019 data was used to identify the Friday Bridge trial area as being within the third decile for Indices of Multiple Deprivation English indices of deprivation 2019: Postcode Lookup (opendatacommunities.org). It was originally hoped that heat pump installations would deliver energy bill savings. The home assessment reports for the properties surveyed show that this is not the case and that there would be a slight increase in bills at current energy prices. If the Government implements its proposals to rebalance gas v electricity prices this would shift the impact to a bill saving

Consultation evidence: Phase 1 of the Heat Pump Ready project included engagement by Peterborough Environment City Trust with 102 Friday Bridge residents in the second half of 2022. This identified that a local, trusted and accredited supplier with communication from the Local Authority would be the preferred route for heat pump installation. The survey and customer recruitment work has gathered more evidence on the demand for heat pump installation (up to 13% of residents in the trial area), the cost of heat pump installations in Friday Bridge properties (£15,020 mean) and the projected impact on energy bills is a £65-271 per annum increase (at current energy prices).

Based on all the evidence you have reviewed/gathered, what positive impacts are anticipated from this proposal?: Simplifying access to heat pump installations via the One Stop Shop approach, securing grant funding towards residents' installation costs and savings on energy bills. Delivering significant reductions in carbon emissions for the homes installed. If gas v electricity prices are rebalanced the proposal will also decrease energy bills.

Based on consultation evidence or similar, what negative impacts are anticipated from this proposal?: A slight increase in energy bills at current energy prices. Proposals have incorporated additional insulation and solar PV to help offset this albeit at additional capital cost. Survey reports provided to residents set out the projected bill impacts so residents can make an informed decision

How will the process of change be managed?: Friday Bridge residents have been engaged with by mailshots, website, door to door engagement and community open events to provide more information on the service offered and gather feedback. This engagement has contacted all homes in the trial area

How will the impacts during the change process be monitored and improvements made (where required)?: The project will be closely monitored by City Science, the consortium lead. Home survey reports providing installation costs and projected bill impacts have been produced for all properties surveyed and provided to the residents.

Equality Impact Assessment Action Plan:

Details of negative impact (e.g. worse treatment/outcomes)	Groups affected	Severity of impact	Action to mitigate impact with reasons/evidence to support this or justification for retaining negative impact	Who by	When by
Increase in energy bills of £65-271 per annum unless/until Government rebalances gas v electricity prices	Socio-economic inequalities	Low	Transparency: residents have been presented with projected impact on energy bills as part of the installation design proposal. Cautious Energy Price Assumptions: assumptions on gas prices v electricity prices in the above include a margin of caution. Government Policy: In March 2023 Government stated that it would rebalance gas v electricity costs starting from the end of 2024. This is explicitly designed to make heat pump installation more attractive. We will keep Government's progress on this under review between now June 2024 when installation work would commence Volition: Uptake of the heat pump installation offer is entirely voluntary and the project will not hard sell the offer. Home survey reports provided to residents set out the projected bill impacts explicitly in both text and graphical form. It is likely that only the most environmentally motivated residents who can afford the projected bill impacts and the capital cost of installation (after grant) will proceed.	Chris Parkin	18/04/2024

Head of service: Sheryl French

Head of service email: sheryl.french@cambridgeshire.gov.uk

Confirmation: I confirm that this HoS is correct

Environment and Green Investment Committee Agenda Plan

Published on 2 April 2024
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Notes

The definition of a key decision is set out in the Council's Constitution in Part 2, Article 12.
* indicates items expected to be recommended for determination by full Council.
+ indicates items expected to be confidential, which would exclude the press and public.

The following are standing agenda items which are considered at every Committee meeting:
- Minutes of previous meeting and Minutes Action Log
- Agenda Plan, Training Plan and Appointments to Outside Bodies and Internal Advisory Groups and Panels

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
18/04/24	Heat Pumps for Friday Bridge – Phase 2a Outcomes & Phase 2b Approval	C Parkin	2024/012	08/04/24	10/04/24
18/04/24 Special meeting	Waste Private Finance Initiative Update + [Confidential item]	A Smith	2024/029	08/04/24	10/04/24
04/07/24	Notification of Chair and Vice-Chair			24/06/24	26/06/24
	Communities Benefiting from the Energy System Transformation	E George / C Parkin	2024/048		
	Future Options for Energy Projects	S French E George	2024/050		
	Finance Monitoring Report - Outturn 2023-24	S Heywood			

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Performance Monitoring Report – Quarter 4 (2023-24)	R Springbett			
	Risk Update 6 Month Update	Frank Jordan			
03/10/24	Performance Monitoring Report – Quarter 1 (2024-25)	R Springbett		23/09/24	25/09/24
	Trees and Woodland Strategy – Progress and Target Update	E Bolton / Phil Clarke		23/08/24	28/08/24
	Biodiversity Strategy	Phil Clarke			
	Finance Monitoring Report	S Heywood			
28/11/24	Performance Monitoring Report – Quarter 2 (2024-25)	R Springbett		18/11/24	20/11/24
	Finance Monitoring Report	S Heywood			
	Connecting Cambridgeshire Programme Annual Progress Report	Ceren Clulow			
16/01/25	Business Planning – Scrutiny and Overview of the Environment and Green Investment Committee's Proposals	F Jordan		06/01/25	08/01/25
	~~Annual Carbon Footprint Report~~	~~S Wilkinson~~			
13/03/25	Performance Monitoring Report – Quarter 3 (2024-25)	R Springbett		03/03/25	05/03/25
	Climate Risk and Annual Carbon Footprint Report	S Wilkinson & E Bolton			
12/06/25	Notification of Chair and Vice-Chair			02/06/25	04/06/25
	Finance Monitoring Report - Outturn 2024-25	S Heywood			

Committee date	Agenda item	Lead officer	Reference if key decision	Deadline for draft reports	Agenda despatch date
	Performance Monitoring Report – Quarter 4 (2024-25)	R Springbett			

Please contact Democratic Services (democraticservices@cambridgeshire.gov.uk) if you require this information in a more accessible format.