

Environment and Sustainability Committee

Date: 14 January 2021

Time: 10.00 a.m. – 13.15 p.m.

Present: Councillors J Schumann (Chairman), T Wotherspoon (Vice-Chairman),
A Bradnam, L Dupré, I Gardener, J Gowing, P Hudson, J Scutt, M Shuter
and G Wilson

46. Apologies for Absence and Declarations of Interest

No apologies for absence were received.

There were no declarations of interest.

47. Minutes - 15th October 2020

The minutes of the meeting held on 15th October 2020 were agreed as a correct record.

48. Action log

The Action Log was noted.

49. Petitions and Public Questions

No petitions or public questions were received.

50. Swaffham Prior Community Heat Project – Investment Case

The Committee considered a report on the Investment Case for Swaffham Prior Community Heat Project, which summarised the learning journey, complex sub-projects and key achievements of the last three years. The Swaffham Prior Community Heat Network would be located at Goodwin Farm (a Council owned farm) and would include a ground source heat pump, air source heat pump, solar PV and thermal storage. It would be the first of its kind nationally, a ground-breaking project which would enable homes of any age in the village of Swaffham Prior to decarbonise their heating and hot water. The project would apply established technologies already in place in other European countries and would deliver heat to homes utilising existing radiators and pipework without upfront cost to the homeowners.

The officer informed the Committee that they had had discussions with the Secretary of State for Business, Energy and Industrial Strategy and there was commitment to collaborate between his department and the Council to find a funding solution, as the learning outcome of the design and development of community scale heat retrofit projects which have social value could be a UK exemplar for rural off-gas communities. The officer explained that the biggest challenge for bringing forward a project like this was the complex funding arrangements and their alignment, as there are no clear

funding pathways for off-gas community retrofit projects. Other challenges included the uncertainty of Brexit and Covid-19 which both added risks such as higher costs and supply chain instability.

Between finalising the committee report and the Committee meeting an additional energy modelling was received, which identified a £2.2 million negative impact on electricity prices over 60 years as a result of mapping how households use electricity across a day with the generation of electricity through solar PV. Officers advised that although the social NPV of the project was negatively impacted, the commercial NPV would remain positive.

The officer highlighted that the report still included uncertainties in the business case but stressed that a delayed investment decision could put further funding streams, such as the Renewable Heat Incentive (RHI) at risk.

Members raised questions regarding the investment case:

- Whether only the chair of the Green Investment Advisory Group would be involved in the consultation (set out in recommendation (e))- officers confirmed that the advisory group as a whole would be included.
- Grant certainty - Due to cost increases, officers advised that there was an opportunity to apply for extra funding from the Heat Network Investment Project (HNIP) and would expect most of the newly available grant to be awarded.
- Uncertainties within the project- It was explained that state aid rules changed on 1st January 2021 and the implication of these new regulations on the project were still under review by lawyers.
- Newly built homes joining to the network - It was confirmed by officers that the intention would be to connect any new homes within the area, and that liaison with the district council's planning department to support this ambition would be required.
- Land availability- As the project involved the setup of a base for the heat network, which was established on County Council land, Members expressed concern regarding the viability to apply the project to other communities, where land was not readily available. Officers confirmed that for the Swaffham Prior project it was fortunate that the Council had local land assets, but where this was not the case, land owned by District or Parish Councils or other local businesses could be used.
- Key exit points- Three key decision points were identified as set out below:
 1. After the outcome of the finalisations of cost which would be expected in February 2021,
 2. After the completed review from HNIP confirming available funds,
 3. After the Stage 2 Renewable Heat Incentive application.
- The difference between Social and Commercial rates - Officers highlighted that the financial modelling which was calculated on social rates were now showing a negative figure in light of the new energy data received 13th January 2021, but

confirmed that the commercial NPV shows a positive figure around £1.5 million. One Member questioned the integrity of the calculations submitted to central government. Officers responded by confirming that they used the social NPV calculation for applying for Government grants using government templates as the nature of this project was social and was not established to generate income. However, all previous energy investment projects used commercial NPV and the cash values presented within the business case would remain unaffected.

- Dependency on the Decarbonisation Fund - It was confirmed that income for the project was dependent on the sale of carbon credits and a further report to committee covered the research on the Cambridgeshire Decarbonisation fund. The market for this would need to be established but the intention would be to sell carbon credits to local businesses that have committed to net zero carbon emissions.
- The impact on grant if not enough homes and businesses signing up to the network. It was confirmed by officers if fewer than 300 homes and businesses were to sign up for the network it would impact on the Renewable Heat Incentive income stream.
- Setting up a visitor centre – the Planning application included a small visitor centre located by the Energy Centre. Additional grant funding would be required to deliver this element and is viewed as a Phase 2 of the project.
- Insurances and guarantees - It was confirmed that the insurances and guarantees were currently under development and once completed would be circulated. **Action required.**
- Future projects - A suggestion was made by a Member, to instruct officers to engage in a discussion with the Secretary of State for Business, Energy and Industrial Strategy in order to broaden the Agricultural Grant Schemes to include incentives for landowners of suitable land for future energy projects. By including these landowners in the scheme would reduce the risks to potential future developments. **Action required.**

A small amendment to recommendation (e), which related to the sign off process was proposed by the Chairman in order to make sure the project was brought back to committee if the NPV was negative. The amendment was accepted by the Committee unanimously.

It was resolved unanimously to:

- a) Approve the investment case for the Swaffham Prior Community Heat Project as set out in section 2.4 of the report;
- b) Note the project risks set out in section 3 of the report;
- c) Support further work with Government to develop community carbon policy to reduce risk to the project (and future projects) as set out in paragraph 3.1 of the report;

- d) Approve capital expenditure as set out in paragraph 2.4.7 of the report to cover state aid compliance for the Heat Network Improvement Project (HNIP) commercialisation funding;
- e) Delegate the decision to sign contracts with Bouygues to design, build, operate and maintain the Swaffham Prior Community Heat Project, once final costs, grants (and a positive NPV) are confirmed, to the Executive Director of Place and Economy and Chief Finance Officer in consultation with the Chair of Environment and Sustainability Committee and the Green Investment Advisory Group.

51. Annual Carbon Footprint Report 2019-20

The Committee considered an Annual Report which monitored progress against the Council's targets for reducing greenhouse gas emissions. It was noted that the Greenhouse emissions were similar to the previous year's emissions and did not cover the period of the pandemic. The officer drew attention to the fact that most of the Council's emissions were occurring from indirect emissions, such as contractors or workforce vehicle usage. Members raised questions regarding the emissions of Council assets such as insulation of buildings, academy owned school buildings, waste facilities and the procurement of contractors.

One Member asked if the Octagon building lacked double glazing, which could make a difference to emissions. Officers were unsure but advised that it would not be practical to remedy that as the Council was leaving the building in 2021. It was noted that the data was from 2019/20.

Regarding the question of school buildings, the officer advised that buildings were handed over to Academies once schools were converted and that the County Council has no control over these, however under the School's Energy Programme they would be supported without prejudice.

The officer confirmed that the emission rates regarding waste disposal facilities did not include the emissions resulting from waste collections, since collection is not part of the county council remit. In the future a carbon strategy would be introduced within procurement. It was also confirmed that a carbon calculator tool is under development which would be used to measure the reduction of the carbon footprint. Regarding the question of switching the existing fleet vehicles to full electric vehicles, it was noted that the most sustainable way forward was to replace these over a period of time.

In order to lower greenhouse emissions, it was agreed that the Committee would make a recommendation to the General Purposes Committee to conduct meetings virtually and that carbon impact would be highlighted to the Combined Authority when the delegation of transport would be handed back.

It was resolved unanimously to:

- a) accept the 2019-20 annual carbon footprint report as a record of the Council's greenhouse gas emissions in that year.

52. Cambridge University Science and Policy Exchange 2020: A Cambridgeshire Decarbonisation Fund

The Committee considered a proposal for a Cambridgeshire Decarbonisation Fund, co-produced with Cambridgeshire businesses, communities and Local Authorities to deliver early investment into carbon reductions in Cambridgeshire.

The Fund was voluntary and was looking to attract Cambridgeshire businesses that have set net zero carbon ambitions looking to add value locally to the places they live and work. Projects designed to affect carbon emissions can differ in their mode of emissions reduction, timescales for effects to be realised and cost, therefore it was proposed that a combination of investment projects, categorised into three tiers 1 (Avoid), 2 (Reduce) and 3 (Sequester) which broadly fit into avoiding, reducing or sequestering carbon emissions. Investment across all three tiers would be required to achieve a balance of: managing the cost of carbon emissions reductions for businesses; recognising the physical limits of Cambridgeshire's natural environment to sequester carbon; and the very real need to stop emissions at source. In general, sequestering carbon would be the cheapest option, whilst stopping carbon emissions at source would prove more expensive.

Members raised questions regarding how the Combined Authority was informed of the findings. Researchers confirmed that officers were involved in the project team meetings from Cambridge City Council, South Cambridgeshire District Council, Peterborough City Council and Cambridgeshire and Peterborough Combined Authority. It was confirmed that the findings of his research project would provide a starting point and further development is required.

It was resolved unanimously to:

- a) Note the Cambridgeshire University Science and Policy Exchange (CUSPE) 2020 research report proposing a Cambridgeshire Decarbonisation Fund attached as Appendix A of the report;
- b) Agree next steps for the development of a Cambridgeshire Decarbonisation Fund as set out in paragraph 3.1 of the report;
- c) Support further work with partners to assess the opportunity for Cambridgeshire to become a carbon 'sink' and quantifying the potential benefits of this approach.

53. Workplace Chargepoints for Staff and Fleet

Members received a report setting out the business case for installing electric vehicle chargepoints at Cambridgeshire County Council sites for use by staff, fleet vehicles and visitors.

The officer advised that the decarbonisation of road transport was increasingly necessary to meet local, national and global greenhouse gas emission targets, however the transition to a low carbon mode of transport would require upfront provision of infrastructure to stimulate the change. The Cambs 2020 work identified five locations for pool cars after the move out of Shire Hall: Alconbury Civic Hub; Bernard Sunley Centre,

Papworth; Cambridge Professional Development Centre, Scott House and Sackville House. All had parking facilities and the latter four sites would be prioritised for chargepoints to facilitate a shift to EV pool cars.

Members raised questions about the location of the planned charge points as well as whether these would provide a facility to charge electric bicycles, whether charge points would be installed in Blue Badge holder places, and the rate individuals would be charged to use these facilities.

The officer advised that the main factor for determining the location was the available grant, which set out that the charge points must be located in a carpark. These would be in addition to the ones already planned to be installed during the construction of Alconbury Weald hub. It was also confirmed that these points would not be suitable for charging electric bicycles and as the main purpose of installation would be to serve fleet vehicles, they would not be installed in Blue Badge bays at this time. It was also advised that these points would be the first of many planned installations and there were plans to include Blue Badge bays in the future. With regards to the question of payment for the use of the points, this would be at a commercial rate and would not be subsidised for employees.

It was resolved unanimously to:

- a) Note the background, progress to date, issues, challenges and opportunities regarding the installation of electric vehicle chargepoints (EVC) at Council buildings;
- b) Approve the business case for EVCs, using the Workplace Chargepoint Scheme, and enable expenditure of up to £120,000 of the £200,000 allocated to chargepoints in the Environment Fund.

54. Finance Monitoring Report – November 2020

The Committee received a report on the financial position for the whole of Place and Economy Services. The forecast showed a bottom-line revenue overspend of £2.8m, which was a reduction of £0.5m since last month. The officer drew attention to the fact, that the grant which was provided by the Government in order to help with the lost fees and charges were not included in the forecasted overspend, and it was expected that the figure would significantly decrease by next month.

It was resolved unanimously to:

Note the Finance and Monitoring report.

55. Agenda Plan, Training Plan and Appointments to Outside Bodies and Working Groups

The Chairman proposed Cllr Tim Wotherspoon to replace Cllr Lina Nieto on the Natural Cambridgeshire Board and this change was noted by Members.

While considering the Agenda Plan, Members noted that the CUSPE - Tackling Climate Change Through Community- Based Networks and Resources item was added to the agenda plan.

Chairman