

Environment and Green Investment Committee: Minutes

Date: 3 October 2024

Time: 10:00 a.m. – 11:57 a.m.

Venue: Red Kite Room, New Shire Hall, Alconbury Weald

Present: Councillors Lorna Dupré (Chair), Nick Gay (Vice-Chair), Anna Bradnam, Steve Count, Piers Coutts, Stephen Ferguson, Ian Gardener, Mark Goldsack, John Gowing, Ros Hathorn, Catherine Rae, Steve Tierney, Andrew Wood, and

211. Apologies for Absence and Declarations of Interest

Apologies were received from Councillors Smith and Corney (substituted by Councillor Goldsack).

No declarations of interest were made.

212. Minutes – 11 July 2024 and Action Log

The minutes of the meeting held on 11 July 2024 were agreed as a correct record and signed by the Chair.

An updated Action Log had been circulated to the Committee and updates were noted at the meeting.

213. Petitions and Public Questions

No petitions or public questions were received.

214. Climate Change and Environment Strategy Progress Report and Annual Carbon Footprint 2023-2024

The Committee was presented a progress report on the Council's climate change and environment strategy, covering the themes of mitigation (reducing carbon emissions), adaptation (managing risk of climate impacts), and natural capital (improving biodiversity in nature). To build the Council's capacity, knowledge, and skills, £4.78m had been allocated to enable the scale and pace of delivery of the Council's targets for 2030 and 2045. The report outlined the seven targets guiding the strategy and how they had progressed. An annual carbon footprint report and risk assessment had taken a backward look at the Council's progress on its net zero targets, and annual carbon milestones had been set to promote forward planning for target delivery. Carbon quotas for organisational emissions were proposed and applied to inform the setting of annual carbon milestones. In future progress reporting, the aim would be to propose further milestones for biodiversity and adaptation.

For 2023/24 annual carbon footprint reporting, a 42% reduction in carbon emissions from the 2018/19 baseline has been achieved for scope 1 and 2 emissions. An example of how this had been achieved was the replacement of fossil fuel heating systems with low carbon heating solutions for 25 council buildings. There had also been a 39% reduction on Scope 3 emissions from the baseline for goods and services, delivered by third parties working for the Council. This had been reduced by carbon reductions in construction highways projects and use of HVO for fuel, aided by the development of new guidance for 'Net Zero by Design', and 'Sustainable Travel Guidance' for staff. Last year, consultancy work on the Council's rural estate identified the baseline carbon emissions for the estate and the pathway to net Zero. The rural estate is an important area for further collaboration on carbon emissions reductions involving tenant farmers, government, national agencies and other partners. Due to its importance and scale of emissions, it was proposed to separate rural estate emissions out from the existing Scope 3 emissions to identify a specific target and pathway for emissions reductions for this area.

Since the 2023 risk report, positive progress across four out of the seven targets had been made. Where positive impact had not yet been demonstrated, actions and facilitating works were underway which would impact over the next years. For example, the trees and woodland strategy and the biodiversity strategy.

It is also important to highlight for Scope 3 emissions, that growth increases, such as construction of new infrastructure (e.g. schools) would increase carbon emissions. To manage this, forecasts had taken a precautionary approach to include growth assumptions.

The following issues were raised in relation to the report:

- In discussion around the construction of buildings and highways, a Member queried what might be done to offset the most damaging elements of construction. Officers stated that the Council identified carbon emissions for projects in its capital programme to improve forecast of future emissions. It was suggested that using recycled, reclaimed or sustainable materials in construction could reduce the carbon footprint. Furthermore, net zero options had been explored in school design to reduce construction and ongoing operational emissions over a building's lifetime. The Council also had a policy where low carbon heating was to replace oil and gas boilers for buildings and schools to help deliver reductions. It was agreed to provide further detail around the decarbonisation of highway construction and share with members. A Members' seminar could be an option to discuss the impact of construction activities on the Council's carbon footprint. **Action Required**
- A Member queried why schools were listed within Scope 3. Although schools were responsible for their own energy contracts, maintained schools sat within the Council's Scope 3 emissions as they did not function completely independently from the Council, as the Council supported schools to decarbonise their heating systems and other decarbonisation projects. Tackling both the design and

standards for the construction of low carbon schools and supporting existing schools to retrofit was important.

- Officers confirmed that rural emissions sat within Scope 3 because the Council-owned land was leased to tenant farmers who were responsible for operations.
- A Member raised that website users could only plan bus journeys to Alconbury Weald on the same day as travel, requesting improvements on the website to aid in advance planning for public transportation in the area. Officers confirmed that proposals had been raised to provide real time, integrated information for travellers, such as ticketing, however acknowledged the challenge in bringing this information together given there were multiple operators in the same space. Work had been undertaken to launch sustainable travel guidance for staff to enable them to determine the best mode and route for transportation to work.
- Officers expanded on the reasoning behind increased waste emissions, stating there had been increased volume of waste, and more had been sent to landfill. Future planning would look at the financial, commercial, and environmental considerations.
- In response to a Member request for a report on the emissions from agriculture, an officer stated that as the report on the CO₂ emissions for the rural estate had been received earlier in the year, discussions were underway to determine how to progress it, what dialogue was needed with government, and what business models would need to be considered. As a result, officers agreed to provide a timeline for the requested report within the coming months. **Action Required**
- A Member queried whether any investigation had been conducted in returning peatland to water to capture carbon rather than ploughing and releasing it. Officers stated the Great Fen project in Huntingdonshire was an example of returning peatland to water locally. Regarding the Council's rural estate, farming practice had already eroded the peat significantly on the estate. The recent consultancy work on the rural estate had identified the top farms for carbon emissions and had examined how different farming practices around peat soil had contributed to emissions.
- Regarding adapting to climate impacts, Officers described work planned to develop a climate risk strategy for Council services. Supporting this work was the Council's Policy and Insight Team which had collected historical flooding data to inform future discussions and planning on how to manage impacts on services. This work would engage parish and district councils as part of the risk management and planning. In addition, an area-wide climate risk assessment was being scoped, collaborating with CPCA and districts, with the intention this work would provide evidence for the upcoming CPCA climate action plan refresh.
- The validity of the report was brought into question given the sample size of the rural estate tenant farmers surveyed. Officers stated the sample was approximately 15-20% of the tenant farmers, though care had been taken to ensure the sample provided a fair representation. A portion of the information

informing the report included standard data about all farms, however given the surveys were detailed and time-intensive, it would take time to capture all the data needed with further surveys to be carried out over the coming season. Officers would work with the Rural Estate Team to put a note together providing further information on this which would be shared with Committee Members. **Action Required**

- A Member asked whether Cambridgeshire worked with its neighbouring counties, particularly upstream, regarding water controls, both in retaining water at times of drought and flood prevention at times with excessive rain. Officers stated that Cambridgeshire was leading an adaptation subgroup with the Regional Planning Change Forum covering the whole East of England area where water was a key talking point, and that Cambridgeshire was a member of the Regional Flood and Coastal Committee which included all upstream counties and had set up a natural environment subgroup. Officers agreed to provide more detail of works undertaken with upstream neighbours and share with Committee Members. **Action Required**
- A Member highlighted that annual carbon reduction milestones would be adjusted annually according to performance, expressing concern that previous, unachieved milestones would be overwritten when new milestones were applied. Rather, it was felt that historic milestones should be included so that progression over time could be seen and measured. Officers confirmed that annual reports would be provided, and these would include actual progress against the target for the given year, therefore this information would remain available.

It was resolved to:

- a) Approve the annual carbon footprint report as a record of the Council's known greenhouse gas emissions for the financial year 2023 - 2024 as outlined at Appendix 1;
- b) Approve the annual Climate Change and Environment Strategy Risk Report for the period October 2023 - October 2024 (Appendix 2);
- c) Note the progress, key challenges, and residual risk in delivery of the Council's Climate Change and Environment Strategy targets as outlined at Section 5 of this report;
- d) Approve the setting of annual carbon milestones, see Section 6;
- e) Approve the updates to the Climate Change and Environment targets and action plan, as set out in Section 7;
- f) Support the next steps set out in Section 8 to continue alignment of council action with delivery of the Climate Change and Environment targets.

215. School Low Carbon Heating Project Approvals

The Committee was presented a report to approve Council funding for three low carbon heating projects in Cambridgeshire schools – Meridian Primary School, St Philip’s School, and Robert Arkanstall School (with Alderman Payne Primary School as a reserve) – replacing end-of-life gas and oil boilers, installing solar PV, and LED lighting. All three schools would require upgrades to their electrical supplies via UK Power Networks (UKPN). The report sought Committee approval to use UKPN for both contestable and non-contestable works as the costs were relatively low and there were significant technical and project management risks entailed in splitting the work between two different contractors.

The funding packages, in line with the criteria agreed by the Committee in 2021, consisted of a £1.07m contribution from the Council’s decarbonisation fund (affordable within the £1.85m budget for school low carbon heating projects), a £64k contribution from Education Capital from the school condition allowance budget, and £214k loan funding. Additionally, external funding of £879k in central government grant (which would be reclaimed in arrears against spend incurred), a £101k capital contribution from Diocese of Ely, and £104k capital contribution from the Cambridgeshire and Peterborough Combined Authority (CPCA). The projects were designed to deliver bill savings to the schools with a loan repayment scheduled over a 20-year period, though projections were sensitive to changes in gas, oil, and electricity prices.

The Committee was asked to note that a funding package for Strettham Primary School had been delivered in July 2024 as agreed via the urgent decision-making process to allow works to be conducted over the summer to ensure the school had heating in time for the start of the cold season.

Arising from discussions of the report:

- A Member identified that some of the cases in the report could require upgrades to existing UKPN substations and queried why the Council would be financially responsible. The officer explained that it was standard practice for the Council to pay for substation upgrades when required to meet increased need. The upgrade costs for two of the schools was relatively low at approximately £20k per school, while the third was approximately £52k.
- The Council had identified its willingness to pay UKPN directly to avoid paying the framework contractor markup. The risk of paying directly was questioned, in the circumstances that UKPN reneged, particularly in terms of their delivery timeline. While there was a risk around delays of completing the works by UKPN, this risk would be unchanged should the Council procure the work through a principal contractor as the contractor would not themselves assume the UKPN timing risk.
- It was stated that the value of the waiver for the three schools was £89k. For individual projects going forward, the officer agreed to share with Members the waiver values as they came through. **Action Required**

- Officers confirmed that the information on cost of upgrades had been shared with the Department for Energy Security and Net Zero, Salix Finance (the funding body providing Public Sector Decarbonisation Scheme grants), the Greater Southeast Net Zero Hub, as well as other local authorities. Though no feedback had been reported, officers had confidence that central government was aware that distribution network upgrade costs acted as barriers to delivering low-carbon heating projects, as this was not an uncommon occurrence.
- A Member sought further information regarding the CPCA funding. It was explained that the remainder of this funding went toward two schools (Huntingdon Nursery and Townley School) for which the combined contribution was £259k. Officers stated original bids for works to be started this year were made around May 2024, therefore it was too late to bid for additional CPCA funding.
- A Member queried whether reports had been completed summarising the successes of previous low carbon heating projects in schools as well as the resultant learning. An officer stated that some of the learning had been provided in Section 6.33 of the report, and that projects had been monitored monthly where faults had been identified and rectified as a result. Furthermore, a report had been provided to Committee in 2022 covering the first years of the programme. However, further information on operational experience had not been completed and it was agreed to provide this informational report to Committee Members.

Action Required

- In querying why work had not been done to survey the experiences of other schools who had received air sourced heat pumps, a Member speculated whether their efficiency had been such that schools might be colder in winter months, thus affecting pupil attendance. This was disputed, stating that air sourced heat pumps had been widely used in colder climates, down to temperatures below -15° with the purpose to transition to warmer and more insulated schools. Though it was acknowledged that the performance of heat pumps would deteriorate in extremely cold weather, they were between 250-450% more energy efficient than gas boilers, therefore there was a notable margin for performance deterioration before they hit the level of gas boilers. Officers confirmed that reporting on the experiences from the programme which stated no issues regarding thermal comfort and on-track performance had been provided to the Green Investment and Utilities Advisory Group, and that further reporting would be provided to a larger group. Action Required
- Upon Committee approval in July 2021 for the funding package, it was required that the decarbonisation fund capital contribution had to be within the monetised carbon savings from across the programme as a whole. It was acknowledged that the figure might not be met on these three projects, but this could be offset with other projects. The monetised value of carbon saved would be calculated using the Treasury's Green Book greenhouse gas analysis toolkit. The central government value was calculated at £294 per tonne of carbon. The Council was fully allocated on the decarbonisation fund contribution compared to the monetised carbon savings which had been projected.

- A Member identified that in the years from 2014 to 2021, 61 schools had been completed at no cost to the taxpayers, as the method at the time was to provide loans which were repaid by school savings. Conversely, this report identified three schools to be completed at a cost of £1.13m to the taxpayers. Officers clarified that the energy efficiency projects conducted prior to 2021 delivered 16% carbon savings, compared with these projects which delivered 65% carbon savings. Though it was acknowledged that through the school condition allowance, the Council would be responsible for replacing boilers when necessary, a Member suggested this did not align with the previous report which stated that maintained schools, which sat within Scope 3, were wholly responsible for their own budgets.
- Members debated the notion that schools could choose to become academies. While one Member stated this was a choice which schools opted not to take, another stated that such a decision would not necessarily have been a welcome one from communities who did not all wish for their schools to become academies. As maintained schools, the Local Authority would act as the schools' landlord, meaning that whilst schools would have the autonomy to choose their energy contracts, it would be the Local Authority's responsibility to maintain buildings and infrastructure.
- A Member queried whether maintained schools which benefited from the Local Authority funding their air source heat projects only to then transition to an academy shortly thereafter would be subject to clawback arrangements for repayment back to the Local Authority. Officers acknowledged the risk of academisation, however there was no mechanism in place for clawing back costs and the Council could not prevent schools from academising.
- A Member acknowledged the effects of climate change and the need to get to carbon net zero. However, though acknowledging that Scopes 1 and 2 sat firmly within the responsibility and duty of the Local Authority, this proposal sat in Scope 3 and it was felt that central government should provide the grant. Though there was a government grant which had been accessed for the project, it was insufficient, and it was felt that the Council ought not to have stepped in to fill the discrepancy.
- Officers clarified that there had been no policy changes made to the criteria set and agreed by the Committee in 2021. However, external factors had changed, such as increased project costs and the government's valuation of carbon.

It was resolved to:

- a) Agree that funding is allocated for the low carbon heating projects at Meridian, Robert Arkenstall and St Philip's primary schools as set out in paragraph 3.6. In the event that one project could not proceed, Committee was asked to approve funding for a low carbon heating project at Alderman Payne primary school as a reserve.
- b) Note that an urgent decision-making process was used to approve funding for a low carbon heating project at Stretham Community Primary School for the reasons set out in paragraph 3.10.

- c) Confirm the ongoing availability of up to £214k as the lending facility from the Council for the schools specified in this report for low carbon and energy efficiency projects, continuing the approach set out in paragraphs 2.1 and 2.2.
- d) Agree the proposed use of UK Power Networks for both non-contestable and contestable elements of electrical supply upgrades as discussed in paragraphs 3.11 and 3.12.

216. Finance Monitoring Report – August 2024

The Committee received a report on the management account of the services within the Place and Sustainability Directorate for August 2024. The overall revenue forecast was for an overspend of nearly £4m driven by a waste management project overspending as a result of an ongoing waste treatment plant closure due to environment regulations, and below budget forecast income on energy generation projects due to delay in energisation of schemes and reduced energy prices. The latter, however, would be partly mitigated through lower prices charged to the Council for energy consumption by its buildings and streetlights. No significant variances were reported on capital for projects within this Committee's remit.

A Member highlighted the budget increase for the Babraham Park and Ride energy grid as an example of the many increases in project budgets, suggesting these had become vexatious due to their ever-increasing costs. Though the energy projects would ultimately deliver income and carbon reduction, their complexity was not overlooked. The projects had been subject to scrutiny at the Green Investment and Utilities Group, where it had been noted that the costs were unavoidable. Furthermore, it was acknowledged that significant events had affected the economy over the years since the projects were inherited, including war, new government budgets, and Brexit.

Another Member identified two deep dive reviews into what had occurred, the result of which included an internal restructure of the directorate dealing with the capital budget.

It was resolved to unanimously review and comment on the report.

217. Agenda Plan

The Committee noted its Agenda Plan.

Chair