

 <b>MEETING OF EXECUTIVE : 14<sup>th</sup> November 2012</b>		<b>Agenda Item No. 11</b>
<b>Title</b>	<b>Sustainability Delivery Plan</b>	
<b>For further information about this report please contact:</b>	Richard Hall (01926-456700)	
<b>Service Area:</b>	Environmental Services	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of <i>Schedule 12A</i> of the <i>Local Government Act 1972</i>, following the <i>Local Government (Access to Information) (Variation) Order 2006</i>:</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number:</b>		
<b>Background Papers:</b>	Low Carbon Action Plan study - Feb 2012	

  

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Not Applicable
<b>Included within the Forward Plan? (If yes include reference number)</b>	413

  

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive	23.10.12	Chris Elliott
CMT		
Deputy Chief Executive	23.10.12	Bill Hunt
Section 151 Officer	23.10.12	Mike Snow
Legal		
Finance	23.10.12	Mike Snow
Portfolio Holder	29.10.12	Councillor Michael Coker
<b>Consultation Undertaken</b>		
<b>Final Decision?</b>	Not Applicable	

## **1. SUMMARY**

The report recommends the adoption of a Sustainability Delivery Plan to align with the Fit for the Future programme.

Additional resource is required undertake the preliminary work to implement the plan.

## **2. RECOMMENDATION**

- 2.1 Adopt a draft Sustainability Delivery Plan based on the Low Carbon Action Plan as set out at Appendix One.
- 2.2 That up £36,300 is used from the Contingency Budget to fund a temporary post, for a period of 12 months.

## **3. REASONS FOR RECOMMENDATION**

- 3.1 To make a significant reduction in CO2 emissions and to improving energy efficiency within the district an effective Sustainability Delivery Plan is needed.
- 3.2 A Sustainability Delivery Plan is integral to the implementation of the Council's Fit for the Future programme and to addressing the priorities and cross cutting themes contained within it.
- 3.3 To investigate how we can respond to the various targets and challenges within Government policies and initiatives, officers commissioned a study by consultants, Encraft. This study looked at current and future energy use, both within the Council's own operation and its stock, and within the community. It considered Government policies, the future direction of Government thinking and potential benefits, from a range of options; not only for CO2 reduction, but from the financial perspective for the Council.
- 3.4 The outcome of this study was a 'Low Carbon Action Plan'. It is recommended that this becomes our draft Sustainability Delivery Plan. However, work will be required to investigate the feasibility and business case for the various projects discussed in the report, in the current policy climate and within the Council's own financial parameters. This will allow us to fully develop the Council's approach before agreeing a finalised Sustainability Delivery Plan.
- 3.5 There is potential for significant income generation from such an approach. This would be achieved through a range of projects as listed in the Low Carbon Action Plan report, see the Appendix 1 and links as referred to in section 7.12 below.

## **4. POLICY FRAMEWORK**

- 4.1 The Council is a signatory to the Nottingham Declaration and the 10:10 campaign. It has therefore declared its intent to meet the Government's

CO2 reduction targets of 34% by 2020. On its current progress this will not be achieved.

- 4.2 The Council's Fit for the Future programme has 'Embedding Sustainability', including environmental issues, as a cross-cutting theme. Specific priorities include building sustainable homes and developing a low carbon based economy.
- 4.3 To address these issues a Sustainability Delivery Plan is required. This also links to the Local Plan framework.

## 5. BUDGETARY FRAMEWORK

- 5.1 The 'Low Carbon Action Plan' report in February 2012 considered the policy landscape and the options available to the Council. It set out a number of projects and the potential income which could be derived from these over a 15 year period.
- 5.2 The actual financial position cannot be fully understood without detailed scoping of projects. However, the Encraft report states that a realistic district-wide potential for all low carbon technology is as in the table below. This is not necessarily income which could be generated for the Council, but a proportion would be, depending on what funding options were chosen etc.

	Capacity	Capital cost	Annual savings	Annual revenue
Theoretical potential	218.6MWe, 308MWth	£760.9m	485GWhe, 88GWth, 421ktCO2	£129.1m
Realistic 15 year potential	72.5MWe, 21.8MWth	£203.9m	152GWhe, 22.8GWth, 110.7ktCO2	£32.3m

- 5.3 Taking a cautious view on this, if only a 1% of the annual revenue were to be generated for the Council i.e. £300,000, a business case could be made for an officer post, against an estimated salary with on-costs of £36,300. As an example, it is understood that, from the 178 properties in which Housing & Property have installed PV panels, an income of approximately £28,000 has been derived over a five month period. This has been funded through the HRA budget.
- 5.4 The Council does not currently have the officer resource to undertake the detailed work required to define the full financial picture or to deliver the projects hence the request for funding of a temporary post.

The post has not yet been assessed by the Hay Panel, so the grading has not been determined. However, £36,300 would allow for an anticipated E2 grading, with on costs. The Contingency Budget currently stands at £225,200.

- 5.5 The report advises that *'over the next 15 years effective management of the Low Carbon agenda could bring more than £250 million of investment into the District, save District residents more than £25 million a year in fuel bills and reduce District carbon emissions by more than 128,000 tonnes (12% of current CO2 emissions)'*.
- 5.6 It is unlikely that any financial benefits would be delivered in the first year of such a programme. However, a clearer idea of what could be achieved would be developed. A report would be brought back to Executive after this period. After this period the situation would be reviewed to determine whether there was a case to extend this period. A further report would be brought to Executive if an extension to the period were considered appropriate.
- 5.7 Any future project proposals for investment in Low Carbon projects will be subject to a full business case, including analysis of risks, being presented to Executive to agree funding. No funding has been earmarked for these schemes. Each business case would need to demonstrate how the scheme can be self financing with minimal risk to the Council.

## **6. ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 We could continue with our current approach but this would not generate potential income for the Council from renewable heat and energy generation schemes. Neither would it deliver the CO2 reduction targets which the Council has set itself.
- 6.2 In the wider community there are people who have taken up the opportunity to install solar panels and other renewable energy measures. These are generally people with more disposable income. There are also Government schemes to promote the take up of energy efficiency measures, through agencies such as Warmfront. This approach tends to select the easy options only. These do not necessarily return the best environmental benefit, which a comprehensive approach could achieve.
- 6.3 We could therefore leave it to the market place. However, the Low Carbon study by Encraft demonstrated that such measures, at the current pace, will not enable us to achieve the scale of CO2 reduction required through Government policy. At present there is no penalty for the local authority not achieving CO2 reduction measures.

## **7. BACKGROUND**

- 7.1 The sustainability agenda is wide-ranging and complex. It is not just about environmental impacts, but overlaps with financial opportunities and the social aspects of improving energy efficiency, i.e. the potential to reduce fuel poverty and improve health & wellbeing.
- 7.2 Government policy in relation to climate change issues has been fluid. The Government's targets for carbon dioxide (CO2) reduction are contained in the Climate Change Act of 2008 and to address current policy, along with other local authorities, this Council has agreed to meet the national CO2

reduction target, from 1990 levels, 34% by 2020 and 80% reduction by 2050.

- 7.3 There has been much debate about schemes to encourage the uptake of renewable energy use and generation, such as 'Feed in Tariffs' (FiTs), 'Renewable Heat Incentives' (RHIs) and the Green Deal. Some of these potentially have a financial benefit to the Council. An example being Feed in Tariffs, which our Housing and Property Services Department have been able to access through the installation of solar Photo-Voltaic panels on house roofs.
- 7.4 However, there is a choice for the Council; does it want to take a lead in the community on sustainability, climate change and energy reduction, or should we take a more limited view by dealing only with property within our ownership? By only dealing piecemeal with Council owned property the opportunity to have an impact in the wider community could be lost and a genuine Sustainability Delivery Plan would not be achieved.
- 7.5 The Council's own CO2 emissions contribute only 2% of the district wide emissions, so to make a significant contribution in the district we would need to have wider involvement.

The key to achieving significant CO2 reduction, and of gaining most from the financial benefits through Government policy, is to take a strategic approach to sustainability, renewable energy initiatives and energy efficiency schemes.

- 7.6 There are also important cross-cutting links to fuel poverty. Enabling schemes to reduce CO2 emissions and potentially raise income for the Council would also reduce energy bills for residents, some of whom may be on low income.
- 7.7 As transport issues are encompassed within the sustainability agenda it is envisaged that this role could also act as Project Officer for HS2 liaison work.
- 7.8 The 'Low Carbon Action Plan' report recommends specific projects which were assessed as being viable for the Council to undertake. Some of these are within the Council's corporate property. There are also projects which could be undertaken in the wider community and those which relate to policy initiatives. To achieve this would require involvement with the local community, voluntary groups and businesses.
- 7.9 The Council's Climate Change Principles recognise three areas of involvement for the Council.
  - (a) Its own direct sphere of impact through its buildings and operations.
  - (b) How it can influence new build through planning control and building control regulation and
  - (c) What it can do in the wider community to lead on energy efficiency and renewable energy use. The 'Low Carbon Action Plan' addresses these areas of influence.

7.10 The Council therefore has to consider its approach in these three areas.

- (a) With our own operations and property we could continue with our current way of working. This has delivered some renewable energy and insulation schemes for Council owned property but it will not help us achieve our CO2 reduction objectives for the district.

The choice is whether or not to invest more in renewable energy efficiency projects, to improve our CO2 reduction performance.

- (b) With regard to new build the Local Plan and Supplementary Guidance will go a long way to deliver what is required in new development. To be able to fully utilise the Community Infrastructure Levy for sustainability issues we need to be able to offer viable projects for investment. The proposed approach to the Sustainability Delivery Plan would enable this.
- (c) With regard to the wider community we can continue to have a marginal influence in supporting 'Warm Front' & 'Act on Energy' energy efficiency measures (or other Agencies which fulfil their role).

7.11 By taking the approach as recommended in this report we can assess the appropriate position for the Council. This would enable us to decide, for example, whether or not we wish to act as a Green Deal provider, by financing schemes to increase the uptake of renewable energy and energy efficiency.

7.12 The full Encraft, Low Carbon Action Plan, report can be viewed via the attached links. The summary document is appended at Appendix 2.

[Low Carbon Action Plan.pdf](#)

The appendices to the above report can be viewed as below: -

[Annex I - Current and Future Energy Demands.pdf](#)

[Annex II - Policy and Regulatory Context.pdf](#)

[Annex III - Energy Efficiency in Buildings.pdf](#)

[Annex IV - Low and Zero Carbon Technologies.pdf](#)

[Annex V - Transport.pdf](#)

## Appendix 1

### PROPOSED STEPS FOR PRIORITISED PROJECTS

#### From Encraft 'Low Carbon Action Plan' Report– Feb 2012

Project	Short Term	Medium Term	Long Term
A programme of advanced retrofit for WDC assets as an exemplar for the district Install communal heating at The Crest	Consider becoming a Green Deal Provider. Stock survey to identify opportunities; focus on buildings with high energy use. Carry out initial feasibility study and tenant consultation prior to installation.	Monitor performance and report on lessons learnt. Showcase best practice. Monitor performance and report on lessons learnt. Showcase best practice.	Identify further opportunities in buildings with lower energy use. Identify further opportunities in the privately owned housing stock.
A programme of basic retrofit for non-WDC domestic properties	Consider becoming a Green Deal Provider	Stock survey to identify opportunities and track progress	Monitor performance and report on lessons learnt.
An awareness programme and potential policies to encourage non-domestic retrofit to CIBSE good practice standards	Review policies and develop an awareness programme. Consider becoming a Green Deal Provider	Stock survey to identify opportunities and track progress.	Monitor performance and report on lessons learnt.
Consider introduction of a policy to require Passivhaus certification for selected new build developments	Review policies. Showcase and support local projects which are aiming for or have already met this standard.	Support development of the local supply chain and skills base to ensure projects can meet the standard.	Monitor performance and report on lessons learnt.
A programme of GSHP and biomass	Continue with projects already in the pipeline.	Monitor performance and report on lessons	Stock survey to identify further opportunities.

installation in rural, off gas areas		learnt.	
A programme of solar PV installations on WDC owned assets	Continue with projects already in the pipeline.	Monitor performance and report on lessons learnt.	Stock survey to identify further opportunities.
Install hydro turbines at Mill Bridge and Princes Drive	Engage specialist contractors. Obtain necessary permissions from the Environment Agency	Monitor performance and report on lessons learnt.	Survey river to identify additional sites with potential for hydro (e.g. Saxon Mill or Warwick Castle)
An awareness programme and potential policies to encourage development of medium wind (major risk barrier is planning/project development)	Review planning and policies. Identify prime sites and start early consultation with landowners and nearby residents.	Install a Council owned turbine as a demonstration project.	Monitor performance and report on lessons learnt.
An installation programme of CHP plants for high energy use (leisure centres and hospitals)	Showcase existing installations.	Stock survey to identify further opportunities.	
Encourage a switch to cycling through the development of new, safer cycling routes	Research funding opportunities. Identify potential for new routes.	Develop an awareness programme.	Develop new routes.
Review the current use of electric car charging and develop a long term deployment plan for further charging points	Encourage and promote use of existing charging points.		Consider expansion of charging points