



CABINET – 25TH NOVEMBER 2020

SUBJECT: REDUCE, PRODUCE, OFFSET, BUY (A DECARBONISATION STRATEGY AND ACTION PLAN FOR CAERPHILLY COUNTY BOROUGH COUNCIL)

REPORT BY: INTERIM CORPORATE DIRECTOR FOR COMMUNITIES

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1. PURPOSE OF REPORT

- 1.1 The attached report outlines the Decarbonisation Strategy which is the main tool to achieve the Council’s decarbonisation objectives. This strategy is supported by an Action Plan which gives more granular detail on what actions the Council can take in the short, medium and long term to achieve this goal. It also presents an Energy Prospectus which outlines potential commercial projects that will also help towards these goals. This report was considered by the Housing and Regeneration Scrutiny Committee on 13th October 2020 and the Environment and Sustainability Scrutiny Committee on 27th October 2020. The report sought the views of Members prior to its presentation to Cabinet.

2. SUMMARY

- 2.1 Members were advised that it was the goal of Caerphilly County Borough Council to be net carbon neutral by 2030. It was outlined to Members that the proposals set out within the Decarbonisation Action Plan would require extensive financial support. Also, that the planned introduction of a Decarbonisation Officer will ensure that the Plan responds to external influences such as new legislation from the Welsh Government and UK Government.

3. SCRUTINY COMMITTEE COMMENTS

- 3.1 This report came before the Housing and Regeneration Scrutiny Committee on 13th October 2020. The Chair wanted to know how much the Council paid in Carbon Tax as one of the purposes of the strategy was to decrease this tax burden. The Energy and Water Officer outlined that the predominant Carbon Tax was via the Carbon Reduction Commitment Scheme and was in the region of £240,000 per year. The last payment was for 2018/19 when the scheme ended. Members were advised that Welsh Government were yet to announce a replacement for the commitment scheme, but it was likely to be an additional tax on Utility Bills. One Member requested an update on developing future wind and solar farms. The Regeneration Services Manager advised Members that the Council was working closely with the Welsh Government Energy Service on an assessment of Council-owned land. Five sites had been identified as

potential locations for solar farms but there were potential commercial challenges around connecting to the National Grid. During the course of the ensuing debate, Members made enquiries about the inclusion of solar panels on new homes and suggested that there was potential for their inclusion in future planning requirements.

- 3.2 One Member asked why the Council did not fit LED lighting in buildings leased to community groups such as Community Centres. Officers advised that low operating hours in Community Centres meant that it was not economical in terms of the payback rates. But those leasing buildings could approach their energy provider directly about LED lighting options. Members then discussed the preference of purchasing energy from carbon neutral providers and the feasibility and cost of the Council meeting the target of becoming carbon neutral by 2030. Officers outlined that projects were currently at the feasibility stage so did not have definitive costings, and the Cabinet Member for Economy and Enterprise advised that eventually each project would have a specific business case before going before the Regeneration Project Board. The Regeneration Services Manager advised that he would commence dialogue with Cllr R. Owen and Cllr A. Whitcombe on the allocation of capital to some of the projects as per point 11.2 under the Financial Implications section of the report.
- 3.3 This report came before the Environment and Sustainability Scrutiny Committee on 27th October 2020. The report was introduced by the Cabinet Member for Economy and Enterprise, Cllr Sean Morgan. The Cabinet Member advised Members that the purpose of the report was to update the Committee on the work undertaken since June 11th, 2019 when the Committee was presented with a report setting out the Council's intention to develop a Carbon Reduction Plan that would be a roadmap for the Council to follow to achieve the objective of becoming carbon neutral by 2030. It was outlined that as this report is a strategy document it hasn't been fully costed at this stage, but that eventually each project highlighted would have an individual Business Case before any decision was made on whether or not to proceed. One Member asked if the Council had identified any parcels of land for future renewable energy projects. The Regeneration Services Manager advised that the Council had been working with the Welsh Government Energy Service to assess land assets and that approximately five sites had been identified as being suitable for solar farms but that nothing was finalised at this stage. One Member had concerns about the Bryn Group featuring prominently in the report because of recent negative reports in the media which were the subject of an investigation by Natural Resources Wales. The Member believed that the Council should seek an alternative source for its electricity supply. The Interim Corporate Director of Communities advised Members that seeking electricity from another supplier would not help the Council meet its carbon reduction objectives and that currently there was no update on the NRW investigation raised by the Member.
- 3.4 One Member wished to know if the Council received an energy subsidy from the Bryn Group in exchange for providing food waste for the group's Anaerobic Digestion plant. The Interim Corporate Director of Communities advised that the financial deal in terms of receiving food waste was factored into the gate fee which was part of a competitive process. It was advertised, tendered for and the Bryn Group proved to be the most competitive party. During the course of the ensuing debate, Members also discussed planning new projects, the contractual obligations of future partners and ensuring that the Council prioritised putting actual costs against the projects outlined in the report. One Member asked about the influence of Section 106 Agreements as a source of finance for the Council. The Interim Corporate Director of Communities outlined how Section 106 Agreements had been largely replaced by the Community Infrastructure Levy which was introduced in 2015/16 and that the Council had received in the region of £2M from the Levy. The member was also advised that the new Sustainable Drainage legislation (SAB) introduced a new regime of Commuted Sums from its

commencement in January 2019. One Member wanted to know the current number of electric/ hybrid vehicles from the Council's transport fleet. The Regeneration Services Manager advised that he would provide Members with this figure outside of the meeting.

4. RECOMMENDATIONS

4.1 Following consideration and discussion the Housing and Regeneration Scrutiny Committee by a majority present, and in noting in that there were no abstentions and no votes against, recommend to Cabinet that:

i) The views of the Housing and Regeneration Scrutiny Committee on the draft Decarbonisation Strategy and supporting documents be noted.

ii) Cabinet notes that the Housing and Regeneration Scrutiny Committee acknowledges the milestones for adoption of this document by the Council.

iii) Cabinet notes that the Committee acknowledges the wide and diverse range of activities that the Council will need to implement to achieve the Decarbonisation objectives.

iv) Cabinet notes that the Committee recognises that the actions, targets and contents contained within the supporting Action Plan and Energy Prospectus are fluid and will respond to external pressures and opportunities as they occur. In particular, that it will be necessary to react to changing legislation from Welsh Government and Central Government.

v) Cabinet notes that the Committee acknowledges that business cases associated with Energy Prospectus projects will be reviewed by the CCBC Regeneration Project Board with recommendations being made to Cabinet where required.

4.2 Following consideration and discussion the Environment and Sustainability Scrutiny Committee by a majority present, and in noting in that there was one abstention and one vote against, recommend to Cabinet that:

i) The views of the Environment and Sustainability Scrutiny Committee on the draft Decarbonisation Strategy and supporting documents be noted.

ii) Cabinet notes that the Environment and Sustainability Scrutiny Committee acknowledges the milestones for adoption of this document by the Council.

iii) Cabinet notes that the Committee acknowledges the wide and diverse range of activities that the Council will need to implement to achieve the Decarbonisation objectives.

iv) Cabinet notes that the Committee recognises that the actions, targets and contents contained within the supporting Action Plan and Energy Prospectus are fluid and will respond to external pressures and opportunities as they occur. In particular, that it will be necessary to react to changing legislation from Welsh Government and Central Government.

v) Cabinet notes that the Committee acknowledges that business cases associated with Energy Prospectus projects will be reviewed by the CCBC Regeneration Project Board with recommendations being made to Cabinet where required.

4.3 Cabinet are asked to consider the report and the comments made by both Scrutiny Committees.

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Appendices:

Appendix Reduce, Produce, Offset, Buy (A Decarbonisation Strategy and Action Plan for Caerphilly County Borough Council).