

# Decarbonisation initiatives fund

<b>Report number:</b>	<b>CAB/WS/23/040</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	19 September 2023
	<b>Council</b>	26 September 2023
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**Decisions Plan:** **The decision made as a result of this report will usually be published within 48 hours. This item will be referred to Council for a final decision and is, therefore, not subject to call-in. For the same reason, this item was not included on the Cabinet Decisions Plan.**

**Wards impacted:** **All wards**

**Recommendation:**      **Subject to approval by Council, it is recommended that:**

- 1.    A Decarbonisation Initiatives Fund of £1 million be created, funded by the Strategic Priorities and Medium-Term Financial Strategy Reserve.**
- 2.    The first call on that fund be a grant scheme for the upgrade of streetlights owned by town and parish councils to light-emitting diode (LED) lanterns on the basis outlined in this paper.**
- 3.    Cabinet be authorised, if applicable, to agree the use of any remaining balance in the Fund for additional decarbonisation initiatives.**
- 4.    The Council's Section 151 Officer be authorised to make the necessary changes to the Council's prudential indicators.**

## 1. Context to this report

- 1.1 Elsewhere on the agenda for this meeting, Cabinet is receiving the report of the Environmental Working Group which confirms the Council's commitment to addressing the Climate and Environment Emergency and to reaching net zero by 2030 in respect of Council operations. In June 2023, the Leader of the Council also expressed the new Cabinet's wish to consider additional actions the Council could take to support and encourage West Suffolk residents, businesses and partners to address climate change.
- 1.2 This paper seeks to create a £1 million fund to support third-parties in pursuing de-carbonisation initiatives. It also identifies an initial priority area for that spending which could result in a large environmental improvement for the district in keeping with the Council's adopted priorities. Namely, the upgrade of streetlighting owned by town and parish councils.
- 1.3 By way of background, the majority of streetlights in West Suffolk are owned and maintained by Suffolk County Council (SCC) as the highway authority – around 80 per cent of approximately 20,000 lights. For a variety of local and historical reasons, the remaining 20 per cent are owned by West Suffolk Council (WSC), town and parish councils, registered social landlords, etc. Around 10 per cent or 2,000 in number are owned by town and parish councils.
- 1.4 Following an audit of streetlights in 2022, WSC has already agreed:
  - (a) to discuss with SCC the ownership of lights which clearly fulfil a highway safety function but are not currently owned by the highway authority; and
  - (b) to examine WSC's ownership of lights as part of a wider review of our relationship with town and parish councils with the aim of ensuring that, where WSC continues to own a streetlight, this is on a consistent basis across the whole of West Suffolk.
- 1.5 This paper does not propose to change these agreed actions, or that WSC intervenes any further in relation to the historical ownership patterns of third-parties' streetlights. Nor does this paper seek to make any changes to local decisions about how lights are managed and their hours of operation. Instead, it seeks to address another issue revealed by the audit. Namely that town and parish councils still operate many streetlights with older lanterns which have not yet been upgraded to modern light-emitting diode (LED) lanterns. As WSC does not own them, we do not have detailed knowledge of the status and condition of these lights. However, we understand from the audit that it is likely that the majority of the 2,000 parish owned lights are not yet LED. We also understand that around three-quarters of these lights are, like WSC's own lights, managed by SCC under a central maintenance contract.

- 1.6 Town and parish councils are not averse to this LED conversion process – some have already committed to do it and, as current lanterns fail, they will need to be converted to LED in any event as they cannot be replaced. However, in terms of the direct or opportunity cost, the upfront capital expense of conversion is problematic for some of these smaller local authorities to take on. Some town councils have faced bills of several hundred thousand pounds because they own over 500 lights. It has also, to date, not been possible to identify external grants for upgrading streetlights because, as assets, they tend to fall outside of eligibility criteria.
- 1.7 Conversion to LED, when combined with a greater range of flexibility in how a light is used, can reduce the energy consumption of a streetlight by up to 80 per cent depending on the choices of the owner/operator. Clearly this saves the light's owner a large sum in energy costs (particularly at present). But, just as importantly, and the reason for this proposal, it saves a large amount of carbon emissions. Which is why SCC and WSC have already committed to upgrade all of their own lights to LED. WSC now wishes to assist with bringing all council-owned lights up to that modern environmental standard as quickly as possible by initially targeting its new decarbonisation fund at this objective. Including, for reasons of equity, supporting those councils which have very recently started the upgrade process but have not yet received any significant return on that investment.
- 1.8 In relation to an environmental return on the Council's investment, this is hard to calculate accurately at this stage of the project (see section 2 for how this information will be collected and monitored).
- 1.9 However, assuming the number of lights still to convert to LED might be, hypothetically, in the range of 1,500 to 1,800 of the 2,000 parish and town council streetlights, this could potentially mean that these lights are currently emitting over 115 tonnes of CO<sub>2</sub> or using over 600,000 kilowatt hours of energy a year. If local councils were able to convert these lights, this could reduce to around 30 tonnes a year. A reduction equivalent to taking at least 75 average homes entirely off the electricity grid, or around 20 gasoline-fuelled cars off the road. This will also, via the local council's own budgets, release savings to spend on other local priorities (although this sum cannot currently be calculated by WSC as we do not know the running costs).

## **2. Proposals within this report**

- 2.1 The proposal to Cabinet and Council is that West Suffolk Council creates a Decarbonisation Initiatives Fund of £1 million to support third-parties to reduce their net power consumption. The capital will be made available from within the council's Strategic Priorities and Medium-Term Financial Strategy Reserve. As such, from a WSC point of view, the financial impact would be one of an opportunity cost rather than a direct impact on revenue budgets i.e. we are doing this instead of investing that funding in a different priority.

2.2 The first call on this fund would then be for parish and town councils to upgrade their remaining streetlights to LED in order to obtain the environmental benefits. Any additional or alternative uses for this fund will be considered at a future date, if considered necessary.

2.3 It is proposed that the streetlighting grant scheme is operated on the following basis:

- (a) It is an environmental initiative only, and it is only available to town and parish councils in relation to streetlights they own which provide a safety function for public highways, public rights of way, public open spaces or public car parks.
- (b) The awarding of a grant to town or parish councils for the purpose of upgrading streetlights will not result in a transfer of maintenance or other responsibilities to West Suffolk Council. Town and parish councils taking part would therefore be required to confirm their understanding that WSC will not take on any future ownership role in the upgraded lights.
- (c) No precedent will be set in relation to environmental upgrades of any other third-party assets, particularly those for which other funding schemes exist.
- (d) Acknowledging that some town and parish councils have already started to upgrade their lights at their own cost, the grant can be paid in relation to any LED upgrades carried out since 1 April 2022. This is because these upgrades would not yet have generated large savings to that council. No earlier upgrades will be covered.
- (e) The cut-off date for signing up to the WSC grant scheme is 31 January 2024.
- (f) The grant will cover 100% of the cost of works, including condition surveys, subject to the provisions below.
- (g) WSC reserves the right to review implementation of the scheme if the estimated expenditure exceeds £1 million.
- (h) Participating councils will make their own choices about the specification for upgrading lanterns and from whom to procure those works. The only technical condition is that they must be LED.
- (i) Subject to a condition survey, the grant will also cover the cost of essential repairs to, or replacement of, any lighting columns or brackets which is required to enable the first installation of LED lanterns on that specific column/bracket. WSC will fund the cost of any condition survey as part of the grant scheme.
- (j) Participating councils must therefore also confirm by 31 January 2024 if they wish to carry out the condition survey and works themselves or to

ask WSC to procure the works on their behalf via that town or parish council's existing SCC maintenance contract.

- (k) WSC must receive estimates for any condition surveys and subsequent conversion works to be commissioned directly by the town or parish council by 31 March 2024. Those works must be completed by 31 March 2025. Quotations must be obtained in accordance with the town or parish council's normal procurement rules but WSC reserves the right to refuse to fund the full cost of any works which it does not believe offer good value for money to WSC taxpayers.
- (l) Grants will be paid in relation to actual costs incurred, not a notional rate.
- (m) Participating councils must indemnify WSC from any liability occurring from faults or errors arising from the works, and agree to take on any follow-up work with contractors if applicable.
- (n) The participating councils must sign-up to agreed publicity with WSC to ensure the environmental credentials of the scheme, and the source of the funding, are promoted.

2.4 As mentioned above, while WSC has basic data on the number and location of lights from its 2022 audit, we don't own the lights or have any idea of their current status or condition. Therefore, until we seek expressions of interest from parish and town councils and seek condition surveys it will be hard to estimate the likely cost of the grant scheme accurately.

2.5 However, extrapolating estimates WSC has had for its own lights and estimates shared by some of the town councils, it could cost between £750,000 and £1 million to convert the parish and town council lights to LED. If this estimate is exceeded, a further report will be made to councillors (see proposed condition (g) above).

### **3. Alternative options that have been considered**

3.1 West Suffolk Council does not have to offer this grant to local councils as it has no statutory obligation to maintain streetlights and is not required to work with other local lighting authorities to review street lighting distribution and operation. So doing nothing is an option. However, the potential environment and cost benefits of LED upgrades would have a significant impact on local communities. Specifically, this is a chance to ensure that the technical performance of these important community assets is consistently high across the district, and to make a high-impact investment in decarbonisation.

3.2 There is the option to only offer part or match-funding. A 100% grant is expected to make it easier to get local council sign-up quickly and thereby

unlock the benefits. Hence this being recommended. But clearly this results in a larger opportunity cost to WSC in terms of this being the first-call on the £1 million decarbonisation fund.

- 3.3 Another option considered was to offer a grant towards replacing the lantern only. Environmentally the benefit is achieved by changing the lantern. However, in some instances this can't take place until the condition of the wider fitting is addressed. As such, the condition of lighting columns and brackets is often a large part of the capital cost quoted for conversion. For instance, the SCC contractor addresses the whole lighting installation not just the lantern, as part of a single set of works. For this reason, it is recommended that the grant is also available for essential maintenance works to the lighting column provided this is linked to the upgrade of the lantern to LED and a condition survey. If this principle is supported, it will also be more efficient to offer assistance to the town and parish councils in relation to arranging the condition surveys. Done centrally, this would be at a relatively small marginal cost to WSC as part of the overall grant scheme. Whereas to an individual town or parish council it could be a large one-off cost in relation to their annual budgets and act as a disincentive to take part.

## **4. Risks associated with the proposals**

- 4.1 There is no equivalent or precedent for a grant of this nature being offered to local councils by a district council authority. This and other operational risk can be mitigated with explicit and well-defined grant conditions (see earlier section of report).
- 4.2 In addition, the initial outlay of £1 million in capital represents a significant commitment for West Suffolk Council. The risk of a cost over-run is mitigated by requiring a cut-off date for sign-up and being able to ascertain the likely total cost of works before any expenditure on the upgrades takes place (since there will be condition surveys/quotations for new works and certainty on cost in relation to works already carried out). If the value of the works is likely to exceed the £1 million available a new report will be brought to Cabinet before proceeding.

## **5. Implications arising from the proposals**

- 5.1 Financial – covered in the report
- 5.2 Legal compliance – not applicable at this stage but any grant conditions will be prepared with legal input.
- 5.3 Personal data processing – not applicable.
- 5.4 Equalities – not applicable.
- 5.5 Crime and disorder – not applicable at this stage. However, there is extensive research carried out in Suffolk and nationally on the impact of street lighting on crime and safety for parishes to draw upon when making future decisions about their own lights.

- 5.6 Environment or sustainability – covered in the report.
- 5.7 HR or staffing – establishing the grant will be carried out within existing workloads of officers.
- 5.8 Changes to existing policies – not applicable at this stage.
- 5.9 External organisations (such as businesses, community groups) – the grant and later options will affect parish and town councils.

## **6. Appendices referenced in this report**

- 6.1 None

## **7. Background documents associated with this report**

- 7.1 [Street Lighting \(Report number: CAB/WS/22/058\)](#)
- 7.2 [Street Lighting \(Report number: CAB/WS/22/027\)](#)