

Net Zero Decarbonisation Fund – January 2024 Update

Background

As part of its 2022 to 2023 budget, West Suffolk Council committed to an additional £9 million Capital Investment facility to support its net zero ambitions. There is an additional £2.75 million proposed with the 2024 to 2025 to take this fund to £11.75 million. This investment fund sits within the Investing in Our Growth Agenda Fund (funded in the main by external borrowing), in the capital programme to deliver environmental projects. Overall, this is anticipated to deliver a **31 percent carbon saving on council operations**, together with a return to the council of **2 percent** after allowing for borrowing costs.

The Decarbonisation fund is being utilised across the following projects:

- **Council Buildings:** Improve the energy efficiency and incorporate renewable energy (electricity and/or heat) into buildings
- **Electric Vehicle fleet (EV) and associated infrastructure investment:** replace small vehicles on fleet with EVs when replacement falls due
- **Expansion of our West Suffolk Solar for Business scheme**
- **Use of Hydrotreated Vegetable Oil (HVO)** instead of diesel in fleet

Further benefits of this work include adding insulation to homes, lowering ongoing costs, and reducing risk of mould for tenants, and energy cost savings for businesses that help protect against utilities market volatility.

This report provides an update on progress of the fund to end of the 2023 to 2024 financial year and includes a summary of the pipeline.

External Factors

Since creating the fund, there have been several external developments that have impacted the work of the council in this space. Globally, inflation has risen significantly – with the UK experiencing an increase of over 10 percent. While this trend began during the pandemic, the war in Ukraine, since 24 February 2022, has injected additional uncertainty into the global economy, impacting on energy and food, and causing added inflationary factor.

Wholesale energy prices, as well as the cost of borrowing, have increased significantly since the second half of 2021. West Suffolk Council's efforts to reduce emissions and improve the environment are increasingly framed against the need to help meet the challenge of inflationary costs.

In terms of measures that impact the Council's carbon budget, the most significant area of investment is focused on building improvements, which ranges from the 'quick wins' (such as low energy lighting, hand driers) to more substantial investment (such as roof insulation). The buildings where improvements have been made are:

- The Apex
- The Avenue
- The Athenaeum
- Brandon country park bungalow and toilets
- Bury St Edmunds Bus Station

- East Town Park toilets
- Heldhaw Road Changing Rooms
- James Carter Road, Mildenhall
- Lake Avenue Housing
- Bury St Edmunds Leisure Centre
- Moyses Hall
- Nowton Park Lodge Cottage and toilets
- Provincial House
- Rangers Flat, Hardwick Heath
- The Severn Road Enterprise Units
- The Elms, Brandon Housing
- Jubilee Walk toilets
- Ram Meadow toilets
- Recreation Ground toilets
- West Stow Country Park toilets
- West Suffolk House

Expansion of West Suffolk Solar for Business scheme

The solar for business scheme has seen its greatest level of installations since the scheme was set up. Since April 2023, £1.68 million (from additional net zero fund allocation) has been invested in roof mounted solar installations at Suffolk business and community sites, with West Suffolk College being the biggest beneficiary. The college now has 1.5MW of solar installed across its sites, saving 250 tonnes of CO2 per year.

In total, 2MW of solar has been installed across West Suffolk this financial year, generating annual CO2 savings of 466 tonnes. This brings the total investment into roof mounted solar to over 8.7MW with a capital outlay of £7.5 million since the first installations in 2012. The total CO2 savings are 1,800 tonnes per year.

The council continues to explore the potential for further large-scale floor mounted solar investment (a solar farm). A number of sites have been evaluated, but to date none have been suitable. At this stage the proposed £9 million capital fund does not include any financial provision for such large-scale solar investment. Any such project would be the subject of a separate full business case.

Summary of performance fund to date

The table below shows the performance of the Net Zero fund in regard to both finance and carbon. To date it has saved a total of **564.3tCO2e**. The spend shown is net of any grants we have been able to apply to these investments, and in the case of the electric vehicle purchases, net of the amount it would have cost to buy an equivalent diesel vehicle.

Intervention	Capital cost		Annual tonnes of CO ₂ e saved		Total annual savings, after borrowing, once capital fully invested	
	Budget	Actual to date	Budget	Actual to date	Budget	Actual to date
Council Buildings	£4,340,000	£372,171	381	94.485	£85,000	£19,250
Solar for business	£6,250,000	£1,535,226	1,414	466	£270,000	£80,250
Fleet	£1,160,000	£149,622	85	3.781	-£155,000	£13,900
HVO	£120,000	0	398 ¹	0	0	0

Table G1: Net Zero Fund performance.

The carbon savings from fleet investment are based on the standard Government methodology that assumes certain level of grid emissions thus providing standard reporting across authorities. In practice the savings achieved from the Council's EV fleet transition are higher as power is sourced via Urban Chain which uses the Council's solar farm (when producing) and has a lower grid intensity.

The savings are currently showing a return after borrowing in excess of the 2 percent target. This is mainly due to higher returning investments being carried out first, such as lighting, hand drier and radiator upgrades, as well as a significant amount of solar PV Rent a Roof schemes.

Monitoring and Evaluation

The monitoring and overall programme management of this fund is undertaken by the officer Environment Management Group, which reports to the Environment and Sustainability Reference Group and Cabinet on a quarterly basis. The activities support West Suffolk's Climate Action Plan, and the outputs are included in the council's annual environmental statement that forms part of the council's Annual Report.

¹ 398 represents total CO₂e saved across 1, 3 and out of scope. Having regard to Scope 1 only saving is higher at 1659; this is offset by production carbon