

Decarbonisation Initiatives Fund

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Decisions Plan: The decision made as a result of this report will usually be published within 48 hours and cannot be actioned until five clear working days of the publication of the decision have elapsed. This item is included on the Decisions Plan.

Wards impacted: All wards

Recommendation: It is recommended that:

1. the update contained in this report on the use to date of the Council's £1 million Decarbonisation Initiatives Fund be noted; and
2. the balance of the Fund be allocated to a one-off grants scheme to decarbonise community assets on the basis set out in section 2.3 of this report.

1. Context to this report and progress to date

1.1 Context to the report

1.1.1 In September 2023, Council approved a £1 million Decarbonisation Initiatives Fund (DIF) to support third parties in West Suffolk reduce their use of carbon and address the climate emergency. The first call on this Fund was the conversion of streetlights owned by town and parish councils to light-emitting diode (LED) lanterns. The balance of the Fund was then to be allocated by Cabinet when more certainty existed around the cost of the streetlight conversions.

1.1.2 This report provides an update on the streetlight conversions and an interim proposal for allocating the remainder of the funding.

1.2 Update on use of Decarbonisation Initiatives Fund to date

1.2.1 The first phase of the DIF was a scheme to meet the full cost of upgrading streetlights owned by town or parish councils in West Suffolk with the aspiration that all streetlights owned by councils in West Suffolk (i.e. county, district or parish) would be LED by March 2025. The DIF scheme covered the cost of any future upgrades (including essential repairs) and also reimbursed town and parish councils for any upgrades completed since April 2022.

1.2.2 Fifteen town and parish councils were eligible to take part in the scheme. The remainder either didn't own streetlights or had upgraded them all prior to 2022. Retrospective grants have all now been paid in relation to works carried out since 2022, and the remaining conversions are being commissioned to take place during the remainder of 2024 to 2025 using the contractors selected by the town and parish councils. Some have already begun.

1.2.3 Some final invoices are yet to be received but, at the time of writing this report, the latest statistics for take-up are:

- Over 1,600 streetlight conversions in total have been or will be funded by the DIF.
- Over 500 of these lights have already been converted by the town and parish councils since 2022.
- Leaving over 1,000 lights to be converted during 2024 to 2025 using DIF.
- Over £700,000 of the £1 million in the DIF has already been committed to the conversions and repairs, with just a few grants left to be finalised.

1.2.4 It is hard to estimate carbon dioxide (CO₂) savings precisely given the variety of lights involved before and after conversion and the different operating regimes. However, we are now able to refine the very conservative estimates of CO₂ reductions made at the time the

scheme was approved in 2023. We would now expect that over 120 tonnes of CO2 will be saved annually from the 1,000 or so lights to be converted in 2024 to 2025 as a direct result of the scheme. If we add to those the more than 500 lights already converted and covered by a retrospective grant, the total CO2 savings funded from West Suffolk's DIF could be in the region of **200 tonnes** a year.

- 1.2.5 In addition to the environmental benefits, taxpayers will benefit from considerable energy cost savings. Typically in the region of 70 per cent. Using the current high energy prices as a baseline these could easily be in the region of £100,000 a year across the fifteen local councils.

2. Proposals within this report for use of remainder of Fund

2.1 Balance of funding and agreed criteria

- 2.1.1 Although the final sum may change as works are completed, there will hopefully be more than £200,000 remaining in the DIF after all grants to town and parish councils to convert their streetlights have been paid to them or their chosen contractor. Cabinet therefore needs to take a formal decision on how any balance of the Fund is spent, but this will not need referral back to Council under the terms of the original 2023 Council decision.

- 2.1.2 The only restrictions on its use at present (without getting Council's consent to change the original scope of the Fund) are that it must: relate to decarbonisation initiatives; and benefit third parties. The latter because the Council has already identified separate funding routes for decarbonising its own assets.

2.2 Considerations for spending the remainder of the DIF

- 2.2.1 In terms of deciding next steps, there are four general considerations which the portfolio holder has taken into account in making the proposals in this report, and Cabinet will be asked to take into account in making any future decisions. Namely a need to:
- a. ensure that whatever the money is spent on is demonstrably impactful in terms of reducing carbon;
 - b. complement existing funding schemes for decarbonisation rather than duplicate them;
 - c. minimise the administration/governance time and resources involved in distributing the funds;

- d. devise a process which is transparent, equitable and easy to understand in terms of eligibility and processes.

2.2.2 Furthermore, the intention is that the DIF will be a catalyst for wider conversations about improving the efficient use of carbon. So that what is a small sum of money relative to the cost of decarbonising West Suffolk has a return on investment beyond just the actual carbon saved. In that context, as with streetlight conversions, it is likely it would be spent on schemes which benefit (and are perceived to benefit) communities and taxpayers collectively.

2.2.3 In terms of timings, as the Council has declared a climate emergency, the intention is to allocate all of the remaining DIF in one tranche so that the decarbonisation occurs as quickly as possible.

2.3 **Proposal for spending the remainder of the Fund**

2.3.1 It is proposed to Cabinet that the remaining balance of the Fund be allocated to bids from councillors to decarbonise community assets. Just a few examples might be:

- Converting floodlights on sports fields to LED along the same lines as the streetlight conversion scheme.
- Solar and battery arrangements for community halls. Many community groups have considered solar panels, but discounted them on the grounds that they produce most power when the building is not in use; adding battery storage – although expensive – addresses this.
- Air source heat pumps which provide a very economical way to mitigate against very cold venues, along with schemes to improve insulation.
- Community transport schemes requiring capital investment to reduce the number of private car journeys.

2.3.2 The nature of bids is intentionally open, but certain criteria will have to be met. These are that any proposal must:

- Show a reduction in reliance on fossil fuels which will benefit the community.
- Be clear in terms of the project, timing and the requirement on the fund.
- Be for capital funding only.
- Be simple to administer.
- Be part-funded from other sources so that the Fund's contribution is not 100 per cent.
- Be submitted by the West Suffolk ward councillor(s) for the community affected.
- Relate to assets which are owned by either a town or parish council or by a not-for-profit local community or voluntary group

i.e. the funding cannot be used to replace statutory obligations or other public funding, for instance upgrading schools.

- 2.3.3 There is no upper or lower limit on applications subject to the total sum being awarded not exceeding the balance of the DIF. However, for larger project proposals, the Council has received agreement that its DIF can be used in conjunction with the Suffolk Climate Action Community Match-Funder scheme. The grant scheme will also be 'as well as' not 'instead of' any locality budget that a local ward member might wish to contribute, meaning this can be another source of part-funding in addition to other external grants or funding the community has of its own. Depending on demand, a limited amount of retrospective funding may also be available, as it was with streetlight conversions (subject to a cut-off of any spending having occurred since 1 April 2023).
- 2.3.4 As an additional benefit, it is hoped that, by allocating one-off ring-fenced funding to decarbonisation in this way, some extra headroom in the capital element of the 2024 to 2025 Thriving Communities grant scheme (formerly known as 'Community Chest') will be created. For that reason, projects funded by the DIF would not be regarded by Cabinet to be eligible for a Thriving Communities grant in 2024 to 2025.
- 2.3.5 To keep the process as fair and simple as possible, councillors will be asked to submit a very brief outline of a project which they would support. This should be as soon as possible but definitely by no later than **Friday 6 September 2024** which will be the cut-off date for proposals. As bids are received, the portfolio holder and officers will then deal directly with whichever group is involved to work up and cost the project before a final decision/allocation of funds is made. For transparency, these final funding decisions will be ratified through a report or reports back to Cabinet at the appropriate time.
- 2.3.6 If the initiative is oversubscribed or capacity requires, the Council has the option to use a small amount of the DIF to commission an independent panel of external experts through the Suffolk Climate Change Partnership to assess proposals and make recommendations on the most appropriate projects to support, and how. They will also be able to advise those who don't make it past this point on how to improve their bid for other funding sources (including 2024 to 2025 Thriving Communities grants).

3. Alternative options that have been considered

- 3.1 The reasons for proposing an immediate and full use of the DIF is because the Council has declared a climate emergency. Adding the

balance of the DIF to existing internal or external grant schemes was considered as a mechanism for distributing it. However, it was felt that this might unnecessarily constrain ideas and options ahead of local councillors engaging with the communities. It is preferred instead to keep as much flexibility and scope as possible. If this councillor-led engagement identifies that the proposed approach needs refinement or clarification before adoption then Cabinet will be able to take that account in making any later decisions.

4. Consultation and engagement undertaken

- 4.1 Cabinet invited suggestions for using any balance of the DIF from other councillors and town and parish councils as part of the process to establish eligibility for streetlight conversion grants. This resulted in several ideas for the kinds of small community schemes that could be supported by the DIF. Hence the proposal.
- 4.2 The portfolio holder has consulted Cabinet and the Environment and Sustainability Reference Group on the proposals in this report and has also given advance notice to all councillors of what was intended in this report.
- 4.3 In engagement terms, the proposed approach is intended to harness existing democratic processes and empower local councillors to work directly with the local communities they represent on developing ideas for decarbonisation.
- 4.4 There will also be continued engagement with the Suffolk Climate Change Partnership on the scheme.

5. Risks associated with the proposals

- 5.1 The main risk associated with the DIF is that it does not result in an effective investment in decarbonisation. The bulk of the funding is already allocated as explained in section 1 of this report. This includes an estimate of the carbon reductions achieved.
 - 5.2 In terms of the remainder of the DIF, the Portfolio Holder will assess and report on the risks associated with any future proposals when referring recommendations back to Cabinet.
 - 5.3 The top level risks associated with the grant scheme proposed in this report are as follows:
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Risk	Mitigation proposed
The scheme is under-subscribed	Promote the scheme directly to councillors, and via media, social media and relevant websites.
The scheme is over-subscribed	Enlist the support of an independent panel of external experts to assess and prioritise bids using fair and objective criteria, and advise Cabinet accordingly before a final decision is made.
Objectives of the DIF are not met/maximum return on investment not achieved.	As per previous risk. Final proposals to Cabinet should identify the benefits of the supported schemes, thereby enabling later scrutiny if needed.
Local communities are not engaged in the process and/or bids received do not reflect community's own priorities	Manage the scheme via ward councillors in terms of seeking ideas and making bids.
Decisions are not open and transparent	Refer final decisions back to Cabinet which will be subject to normal call-in rules.
The budget is exceeded	Cabinet will assess and prioritise proposals to ensure that allocations stay within the remaining sum in the DIF. If additional funds were required a new Cabinet and/or Council decision would be required.

6. Implications arising from the proposals

- 6.1 Financial. None. The funding is already included in the Council's budget.
- 6.2 Legal compliance. None – see sections 2.3 and 5 for safeguards proposed.
- 6.3 Environment or sustainability. As explained in the report.
- 6.4 External organisations affected (such as businesses, community groups). If approved, community organisations and local councillors will be able to work with local councillors to invest in decarbonisation initiatives in their area.

7. Appendices referenced in this report

7.1 None.

8. Background documents associated with this report

8.1 [Cabinet and Council report](#) to set up Decarbonisation Initiatives Fund – September 2023 (CAB/WS/23/040)