



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

## Environment Overview and Scrutiny Committee

6 October 2020

**Report of:** Councillor Dr Peter Moseley

Cabinet Member for Commercial  
and Operations



# Deployment of the Climate Change Reserve Fund

This report provides an overview of projects considered for the climate change reserve fund, as proposed by Members of the Climate Change Action Task and Finish group.

### Report Author

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Corporate Priority:	Decision type:	Wards:
<b>Agility</b>	<b>Non-Key</b>	<b>All Wards</b>

<b>Reviewed by:</b>	Victoria Brackenbury, Organisational Development and Change Manager	22 September 2020
<b>Approved by:</b>	Gary Smith, Strategic Director – Commercial and Operations	22 September 2020
<b>Signed off by:</b>	Councillor Dr Peter Moseley, Cabinet Member for Commercial and Operations	24 September 2020

### Recommendation (s) to the decision maker (s)

- To recommend that the Climate Change Reserve Fund be directed towards an upgrade of light fittings at the Guildhall Arts Centre, with the remainder directed towards the acceleration of the existing upgrade of streetlights project.**
- To recommends to Cabinet that another Climate Change Reserve, of at least £20,000, be considered in the 2021/22 budget.**

# 1 The Background to the Report

- 1.1 Following South Kesteven District Council's 'Declaration of Climate Emergency' on [26 September 2019](#), the Environment Overview and Scrutiny Committee recommended on [26 November 2019](#) that a one-off fund of £20,000 be established "for climate change action quick wins, small works and carbon efficiencies; this reserve could be drawn down from as specific initiatives are identified during the course of the Task and Finish Group's work". This fund of £20,000 was then approved by Cabinet on [10 December 2019](#).
- 1.2 The publication of the Council's *Carbon Footprint and Reduction Opportunities* Report in July 2020, a result of work completed with the Carbon Trust as consultants, helped to identify project opportunities to meet the Council's carbon reduction targets, declared as part of the climate emergency, of at least 30% by 2030 and to endeavour to become net zero carbon as soon as is viable before 2050.
- 1.3 Following discussion at the Environment Overview and Scrutiny Committee on [21 July 2020](#), four project areas were suggested for the Climate Change Action Task and Finish Group to consider in greater detail, with the group to indicate a preference to nominate to spend the £20,000 Climate Change Reserve Fund. These were:
  - Acceleration of the LED streetlights programme;
  - Improvements to Stamford Arts Centre and the Guildhall;
  - Solar panel installation on Council assets;
  - Improvements to office space including LED lighting.
- 1.4 A presentation to Climate Change Action Task and Finish Group Members took place on 11 September 2020 where Members discussed the relative benefits of the proposed projects. The consensus of the group was to fully fund the upgrade of light fittings to LED at the Guildhall, and to allocate the remainder of the fund towards the acceleration of the streetlights programme. Based on information in the *Carbon Footprint and Reduction Opportunities* Report attached at Appendix 1, the cost for the Guildhall work was estimated at £10,000 based on assumptions of the number of lights and condition of fittings in the building.
- 1.5 A firm quote was received from a local contractor regarding LEDs installation following the meeting on 11 September 2020, with further quotes to be received and reviewed before appointing a contractor to conduct the project. Taking into account the number and condition of fittings needing to be upgraded, the cost for works at the Guildhall (excluding fittings in the auditorium) was quoted at approximately £15,800 (excluding VAT). This leaves a remainder to fund the acceleration of the streetlights project of approximately £4,200.
- 1.6 Given the updated quotes received for LED upgrades in the Arts Centres in the district, this has altered the assumed payback periods for each of the projects. Upgrades to LEDs at the Guildhall (excluding fittings in the auditorium) now provisional payback is assumed to be 3.5 years; at Stamford Arts Centre at 7.8 years (excluding fittings in the auditorium); and at Bourne Corn Exchange at 12.4 years. The Guildhall upgrade remains the most attractive option based on payback period and on carbon reduction. Integration of LED upgrades are now also being considered for Stamford Arts Centre as part of planned refurbishment work.
- 1.7 The proposed savings and carbon reduction from the upgrade to LEDs at the Guildhall are based on industry accepted estimates of lighting use as a proportion of the overall

electricity use of a building and expect upgraded LED lights to deliver a 40% energy reduction on existing fittings.

- 1.8 The proposed savings and carbon reduction from the streetlights programme assume the remainder of the fund will cover an upgrade of approximately 20 lights. It is currently expected that upgraded LED streetlamps will be able to deliver a 60% energy reduction on existing lamps.
- 1.9 More detailed information on each of the projects is included in the below table:

Project	Proposed project cost (£)	Proposed saving (annual £)	Payback (years)	Proposed carbon reduction (annual tonnes)
Guildhall LEDs upgrade	15,800	4,580	3.5	9
Streetlights upgrade	4,200	445	9.4	1

- 1.10 The proposal to opt for upgrades to LED fittings at the Guildhall Arts Centre was made by the Climate Change Action Task and Finish Group on the basis of good payback period, impact on carbon reduction, and investment in a public building which the residents of South Kesteven can enjoy.
- 1.11 The proposal to dedicate the remainder of the fund to the acceleration of the streetlighting programme was made on the basis of providing a benefit to the wider community, and an acknowledgement that, based on the streetlights programme invest to save funding model, upgrading more lights earlier on in the programme enables greater reinvestment and savings from the whole programme. Further details on the streetlighting invest to save model can be seen from discussion at Cabinet on [11 June 2019](#) (item 4).
- 1.12 Following discussion at the Climate Change Action Task and Finish Group Members, the membership agreed that the fund was useful for smaller works and efficiency initiatives. The group proposed to the Environment Overview and Scrutiny Committee that another Climate Change Reserve Fund be established for 2021/22, of at least £20,000, which again would consider “climate change action quick wins, small works and carbon efficiencies”.

## **2 Consultation and Feedback Received, Including Overview and Scrutiny**

- 2.1 The carbon reduction projects considered were suggested by the Environment Overview and Scrutiny Committee on 21 July 2020, following a discussion of the outlined projects on the publication of the *Carbon Footprint and Reduction Opportunities* Report, attached at Appendix 1.

## **3 Available Options Considered**

- 3.1 The Climate Change Action Task and Finish Group considered other carbon reduction projects including solar panel installation, upgrades to LEDs in office space and upgrades to LEDs in Stamford Arts Centre and Bourne Corn Exchange, or to spend the whole fund

on the acceleration of the streetlighting programme. The Environment Overview and Scrutiny Committee could revisit each of these options and opt for a different project.

- 3.2 The Environment Overview and Scrutiny Committee could consider carbon reduction projects, other than the above, which are detailed in the *Carbon Footprint and Reduction Opportunities* Report attached at Appendix 1.
- 3.3 The Environment Overview and Scrutiny Committee could consider a separate project other than those included in the *Carbon Footprint and Reduction Opportunities* Report attached at Appendix 1 in the agreed scope of the funds “for climate change action quick wins, small works and carbon efficiencies”.
- 3.4 The Environment Overview and Scrutiny Committee could opt to defer the fund to the following financial year.

## **4 Preferred Option**

- 4.1 Funding the work at the Guildhall Arts Centre, with the remainder to fund an acceleration of the streetlighting programme, is expected to see an annual reduction in spend on energy use of £5,025, and an expected annual reduction of carbon of 10 tonnes.

## **5 Reasons for the Recommendation (s)**

- 5.1 The allocation of the fund toward a carbon reduction project with a short payback period will deliver a measurable carbon reduction towards the Council’s overall target of at least 30% by 2030. Taking no or limited action to increase energy efficiency and ensure carbon reduction in the first part of this decade is likely to make cumulative year on year carbon reduction difficult.

## **6 Next Steps – Communication and Implementation of the Decision**

- 6.1 If the outlined project proposal is supported by the Environment Overview and Scrutiny Committee, officers will develop an implementation plan for the work with relevant contractors to ensure the project is completed in a timely fashion.

## **7 Financial Implications**

- 7.1 The Council approved a specific reserve of £20,000 for the current financial year to fund initiatives within the scope of the climate change work programme. The report identifies the proposed spending plans utilising the reserve. Any further allocations for next financial year will be subject to approval by Council on 1 March 2021.

**Financial Implications reviewed by: Richard Wyles, Interim Director of Finance.**

## **8 Legal and Governance Implications**

- 8.1 The Council can lawfully establish a reserve as recommended in this report. Any contracts procured under the reserve will need to comply with procurement law and the Council’s financial regulations.

**Legal Implications reviewed by: Shelley Hardy Legal Services**

## **9 Equality and Safeguarding Implications**

- 9.1 There are no specific equality or safeguarding implications identified for either project.

## 10 Risk and Mitigation

- 10.1 There is a risk that the project may see an overspend, in the event of unforeseen circumstances which quoted costs for the work did not account for. It is expected that, by having received a firm quote from a contractor, this is unlikely.
- 10.2 There is a risk that the project may not deliver the expected savings and return on investment that was expected, based on the assumptions of electricity use and assumptions of more efficient equipment. Nevertheless, the proposal will insulate the Council from rising electricity costs in coming years.

## 11 Community Safety Implications

- 11.1 No implications identified.

## 12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?

- 12.1 The implementation of the outlined project proposal is expected to deliver an annual carbon reduction of 10 tonnes, helping to meet the Council's carbon reduction target of at least 30% by 2030 and to endeavour to become net zero carbon as soon as viable before 2050.
- 12.2 It is hoped that through completing carbon reduction projects in Council assets in South Kesteven, this will help to demonstrate to others which projects are effective to deliver an energy saving whilst reducing carbon footprint.

## 13 Background Papers

Meeting of Cabinet, 11 June 2019 (item 4) -

<http://moderngovsvr:8080/ieListDocuments.aspx?CId=164&MID=3745>

Meeting of Council, 26 September 2019 (item 51) -

<http://moderngovsvr:8080/ieListDocuments.aspx?CId=261&MID=3770#AI23422>

- 13.1 Meeting of the Environment Overview and Scrutiny Committee, 26 November 2019 (item 27) - <http://moderngovsvr:8080/ieListDocuments.aspx?CId=630&MId=3785>

Meeting of Cabinet, 10 December 2019 (item 53) –

<http://moderngovsvr:8080/ieListDocuments.aspx?CId=164&MId=3768&Ver=4>

13.1 Meeting of the Environment Overview and Scrutiny Committee , 21 July 2020 (item 61) – <http://moderngovsvr:8080/ieListDocuments.aspx?CId=630&MId=3910&Ver=4>

## 14 Appendices

- 14.1 Carbon Footprint and Reduction Opportunities Report - prepared for South Kesteven District Council by the Carbon Trust.

<b>Report Timeline:</b>	Date of Publication on Forward Plan (if required)	Not applicable
	Previously Considered by: Environment Overview and Scrutiny Committee	21 July 2020
	Final Decision date	Not applicable