



**29 June 2023**

<b>Title</b>	Update on the Council's Low Carbon Capital Investment Programme
<b>Purpose of the report</b>	To note the report for information
<b>Report status</b>	Public report
<b>Report author</b> (name & job title)	Peter Moore (Head of Climate Strategy)
<b>Lead Councillor</b> (name & title)	Councillor Ennis, Lead Councillor for Climate Strategy and Transport
<b>Corporate priority</b>	Healthy Environment
<b>Recommendations</b>	That the Committee notes progress with the development and delivery of the Council's low carbon investment programme as summarised, pursuant to the recommendations agreed at SEPT Committee in June 2021 and the delegations therein.

## 1. Executive Summary

- 1.1. The 2022/23 Budget, approved by Council in February 2022, confirmed the Council's commitment to a c£7.1m programme of low carbon investment (energy efficiency and renewable energy installations) over the 3 years to 2024/25 to help achieve the corporate Carbon Plan target of an 85% reduction in the Council's carbon emissions by 2025. The 2023/24 budget, approved by the Council in February 2023, included an additional £2.2 million for a new corporate solar energy programme, underlining the Council's commitment to meeting Climate Strategy and Carbon Plan commitments. This report updates the Committee on progress with implementation of the programme.
- 1.2. It is important to note that there are a number of projects within the Capital Programme which contribute to the Council's climate goals (e.g. in transport, fleet, waste, housing and schools) - the programme which is the subject of this report is just one part of this, relating specifically to decarbonisation of key corporate assets.
- 1.3. Approval to spend against the programme was sought and secured at SEPT Committee in June 2021 based on the programme summarised at Appendix 1 of that report, along with delegations to the Executive Director to agree significant variations to the programme and commit sums from the programme as match funding for external funding bids, in consultation with Director of Finance and Lead Member for Climate Strategy and Transport. This report provides an update on the programme, reflecting changes and significant variances agreed in the interim. A similar update on the programme is provided annually to SEPT to ensure that the Committee has regular sight of the status of the programme covered by the recommendations in the June 2021 report.

## 2. Policy Context

- 2.1 The Reading Climate Emergency Strategy 2020-25, which was endorsed by the Policy Committee in November 2020, reaffirmed the goal of achieving a net zero carbon Reading by 2030 as set out in the Council's climate emergency declaration of February 2019. At the same time as endorsing the Climate Emergency Strategy for the Borough, the Policy Committee also adopted a new corporate Carbon Plan for the organisation covering the period 2020-25. This set an ambitious target of an 85% reduction in the Council's CO<sub>2</sub> emissions by 2025, compared to the 2008/09 baseline, on the way to becoming a net zero organisation by 2030.
- 2.2 Key to achievement of these targets is additional investment in the Council's assets to reduce energy use, improve energy efficiency and increase renewable energy generation. While there are a large number of projects within the Capital Programme which contribute to this aim, the 2022/23 Budget and MTF5 confirmed specific provision for c£7.1m investment in low carbon investment up to 2024/25. This investment is reflected in three budget lines in the approved Capital Programme as follows: the Salix Re-circulation fund, the Decarbonisation fund and the Renewable Energy fund. Since the budget was set, there have been significant movements of funds in and out of the programme as projects have been taken forward and/or integrated into other programmes. The main changes are as follows:
- £852,000 was added to the programme for High Voltage EV charging infrastructure at Bennet Road (see [Policy Committee Quarter 4 Performance Report July 2022](#))
  - £976,000 was transferred to Leisure programme budgets to enable installation of heat pumps and additional solar panels to Palmer Park and Rivermead Leisure Centres (see [Decision Book report 654 March 2022](#)) of which £866,000 was spent to complete the works
  - £1,136,000 was transferred to the Levelling Up Fund programme budget to enable heat pump and other measures at the Hexagon theatre (February 2023)
  - £204,000 was transferred to Levelling Up Fund programme budget towards the cost of heat pump installation at the Civic Offices (February 2023)
  - £825,000 was secured in grant from TVB LEP towards the cost of Civic Offices decarbonisation (March 2023), exceeding the target of £450,000 for grant income set for the low carbon budget lines in the Capital Programme.
- 2.3 In addition to these changes, £2,171,000 was added to the Capital Programme in the 2023/24 budget for a new corporate solar programme (see Budget Book 2023/24) enabling solar PV on corporate buildings and solar canopies in Council car parks.
- 3.4 Of the original c£7.1m programme, approx. £2.44m has now been spent on low carbon leisure centre investments and EV charging infrastructure at Bennet Road; approx. £2.49m is committed to decarbonisation projects for delivery by March 2025 within the LUF programme (heat pump and energy efficiency projects at the Hexagon and Civic Offices) and the remainder is earmarked for projects in development (Smallmead solar farm, LED lighting and other energy efficiency projects), subject to business case approval. The new £2.17m corporate solar programme has yet to be mobilised as there are dependencies with asset strategy and car parking reviews which will influence the potential locations for deployment of additional solar capacity.

### 3. The Proposal

**3.1 Current Position:** the substantive decisions in relation to the programme were taken by SEPT Committee in June 2021 and associated budget decisions. This report updates the June 2021 report to give an update on the status of the programme. A status update on key projects within the programme is as follows:

**Table 1: status update on key projects**

<b>Project</b>	<b>Budget (£000)</b>	<b>Estimated annual CO<sub>2</sub> saving (t)</b>	<b>Status</b>
Low carbon leisure centres (heat pumps and solar PV)	976	246	Palmer Park – complete; Rivermead – near complete, heat pumps and solar panels reducing emissions by 57% and 80% respectively.
Bennet Road 'zero carbon depot' (EV charging infrastructure)	1,660	396	Building fabric improvements and heat pumps to replace gas complete. Upgrading of electrical network and installation of EV charging infrastructure complete/underway. CO <sub>2</sub> figure cited is for savings from eRCVs only but further carbon savings will be enabled by the investment made as more of the fleet is electrified.
Bennet Road 'zero carbon depot' (solar pv)	385	59	Installation of solar canopies over parking areas in contract but on hold pending review of depot layout options.
Hexagon Theatre/Hexbox decarbonisation	1,136	124	Heat pump installation and other energy efficiency measures now an integral part of LUF project for completion by March 2025. Potential for ground source heating to become part of wider Minster Quarter district heating scheme.
Civic Offices	1,342	195	Heat pump installation now an integral part of LUF project for completion by March 2024, supported by £825,000 TVB LEP grant.
Smallmead solar farm	1,145	190	Solar farm planned to provide 900kWp to the RE3 facility at Island Road on Council land. Pre-application work underway but delayed due to staff shortages/other priorities driven by grant deadlines.
SALIX Recirculation fund	618	64	Ring-fenced energy efficiency fund operated since 2008 - programme is coming to an end with planned spend of £618,000 over the remaining 3 years. Mainly used for

				LED lighting projects for schools and other buildings in the 2022/23 year. Further spend planned in 2023/24.
Reading Bus Depot	130	15		Working with RTL and Reading Community Energy Society (RCES) to put solar array on bus depot - planning secured, scheduled to complete in 2023/24. Pioneering battery storage solution may enable night-time power consumption to compress gas and/or charge EV buses. Budget allocation is a share of final project costs to be shared with RCES.
Crematorium	55	6		Solar panels and energy efficiency measures programmed for 2023/24.

#### 4. Contribution to Strategic Aims

The recommendations in this report align with Corporate Plan priorities as follows:

- 4.1. **Healthy Environment:** the programme will help deliver the Council's ambitions to become a 'net zero carbon' organisation by 2030, as part of the wider ambition set out in the Corporate Plan of a carbon neutral Reading by 2030.
- 4.2. **Thriving Communities:** the programme will help deliver the Council's ambitions for Reading's communities to be protected from the worst impacts of a changing climate.
- 4.3. **Inclusive Economy:** the programme will help deliver the Council's ambitions for development of Reading's 'low carbon economy' by stimulating demand for low carbon goods and services.
- 4.4. These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:
  - People first
  - Digital transformation
  - Building self-reliance
  - Getting the best value
  - Collaborating with others
- 4.5. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

#### 5. Environmental and Climate Implications

- 5.1 The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers), endorsed the Reading Climate Emergency Strategy 2020-25 in November 2020 and adopted a new corporate Carbon Plan 2020-25 also in November 2020. The programme is designed to deliver the key aims of the

Carbon Plan and will contribute directly towards the Carbon Plan target of an 85% reduction in RBC emissions by 2025, *en route* to becoming a net zero organisation by 2030.

- 5.2 The Council's low carbon investment programme is designed to reduce the Council's energy use and ensure that the energy we do use is from lower carbon sources. As such the climate impact assessment conducted on this report suggests that the programme will have a 'net high positive' impact on the Council's carbon emissions. The contribution of individual projects within the programme is summarised in table 1 above and collectively will reduce emissions by over 1,200 tonnes per annum, which is over 20% of the Council's current annual emissions. Any environmental impacts arising from individual projects within the programme are being addressed via the appropriate mechanisms (e.g. via the development control process where planning permission is required).

## **6. Community Engagement**

- 6.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way". The programme was the subject of public consultation as part of the budget setting process.

## **7. Equality Implications**

- 7.1. An Equality Impact Assessment is not considered necessary for the recommendations in this report as they do not have implications for groups with protected characteristics.

## **8. Other Relevant Considerations**

- Risk management implications will be integrated into project management processes.
- Health and Safety risk assessments will be carried out as part of project delivery and operational protocols thereafter.
- Transparency of information and freedom of information implications through record keeping and public reporting.

## **9. Legal Implications**

- 9.1. There are no legal implications arising from the recommendations in this report.

## **10. Financial Implications**

- 10.1. There are no additional financial implications arising from the recommendations in this report. The capital funds referred to in this report are part of the approved budget and MTFs. Table 2 summarises actual and planned spend against the original programme, noting that these amounts are no longer readily visible in the budget due to the movement of funds in and out of the low carbon capital budget lines as summarised in 2.2 above.

**Table 2: summary of spend/commitments against original low carbon capital programme budget**

<b>Status</b>	<b>Budget position</b>	<b>Projects</b>
Spent	£2.44m	<ul style="list-style-type: none"> <li>• Leisure centre heat pumps and solar</li> <li>• Bennet Rd EV charging infrastructure</li> </ul>
Committed	£2.49m	<ul style="list-style-type: none"> <li>• Hexagon decarbonisation</li> <li>• Civic Offices heat pumps</li> </ul>
Allocated subject to business case approval	£2.18m	<ul style="list-style-type: none"> <li>• Smallmead solar farm</li> <li>• SALIX recirculation projects (LED lighting)</li> <li>• Misc smaller projects</li> </ul>
<b>TOTAL</b>	<b>£7.11m</b>	

## **11. Timetable for Implementation**

11.1. Table 1 above summarises the timetable for implementation of the key projects within the programme and will be refined through the regular capital monitoring process.

## **12. Background Papers**

12.1. There are none.